

A LEARNING ORGANIZATION IN A LIGHTNING-SPEED ECONOMY:
CAN THIS WORK?

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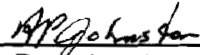
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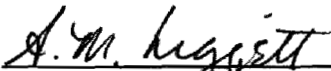
by Catherine M. Staub
July 2003


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Approved by Committee:


A. P. Johnston


A. M. Liggett


C. Greenwood


S. Shrofel
Dean of the School of Education

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A LEARNING ORGANIZATION IN A LIGHTNING-SPEED ECONOMY: CAN THIS WORK?

An abstract of a Dissertation by
Catherine M. Staub
July 2003
Drake University
Chair: A. P. Johnston

The problem: The study described and analyzed observations, insights, and recommendations from knowledgeable corporate players concerning how a corporation can more effectively and efficiently plan, implement, and evaluate major change initiatives, and further use their experience gained to enhance the development of a learning organization.

Procedures: Twenty respondents who had experience in corporate change initiatives and who formed four knowledge elite groups—executives, project managers, information managers, and consultants—were interviewed using one of four sets of questions. Data was coded and findings developed.

Findings: Challenges to develop, implement, sustain, and learn from successful change initiatives stemmed from the fast-paced culture of the organization. To create successful changes, project teams needed time and resources to develop comprehensive, validated solutions, communicate about the change, and remain focused on a change initiative until post-implementation measurements showed that the change had been sustained. To capture and utilize key learnings from changes, experiences needed to be shared beyond the project team, and the organization needed to develop a learning environment.

Conclusions: There is tension between a fast-paced organization culture and the complex processes required for successful change. Skipping or rushing steps in a change initiative only undermines the success of the initiative and the chances of a sustained change. Project teams must engage in complex yet practical thinking to develop a solution, and must act as leaders while managing the complexity of an initiative. Communication is critical to the success of a change and to improving organization learning. Reviewing past initiatives and sharing those experiences is essential to improving future initiatives.

Recommendations: Further research should explore whether there is a return on investment for providing additional time and resources to thoroughly conduct all processes involved in a successful change initiative, and if there is a return on investment for establishing and utilizing a knowledge management system.

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Chapter 1

INTRODUCTION

As a Wells Fargo Home Mortgage team member working as a consultant for the national implementation team involved with the development, implementation, and post-implementation follow-up for major change initiatives, I regularly heard comments about what were perceived to be opportunities for improvement in the way that change initiatives were handled at Wells Fargo Home Mortgage from pre-implementation through post-implementation. People with whom I worked and team members in the field who were expected to make the changes expressed frustration that the organization seemed to keep repeating the same mistakes with each change initiative instead of taking advantage of past mistakes to learn and improve in the future.

I suspected that Wells Fargo Home Mortgage was not unlike many of today's large organizations described in the literature. The environment at Wells Fargo Home Mortgage was extremely fast-paced, team members regularly worked far beyond traditional work-week hours in order to accomplish all of the responsibilities assigned to them, resource contention was experienced as the same team members were tapped to participate in multiple, simultaneously run projects, and every problem seemed to require an immediate solution that should have been implemented "yesterday." As a result, the project teams working to develop and implement change initiatives were often required to implement a

change initiative without a completed solution. Those team members who were expected to make the changes to their work processes often did not receive advanced communication to help them prepare for the changes they were supposed to make. Team members who were being asked to change felt overwhelmed at the number and pace of changes they were required to make, and often could not keep up with the change initiatives that seemed to bombard them. In addition, changes that were implemented were seldom given the post-implementation attention necessary to sustain the change.

I wanted to better understand the existing state of how major change initiatives were handled at Wells Fargo Home Mortgage, how the change initiative process could be improved at Wells Fargo Home Mortgage, and how learnings from change initiatives could be captured, shared, and utilized throughout the organization to improve the way future change initiatives were handled.

According to the literature, the culture and structure of Wells Fargo Home Mortgage was not unique. Contemporary organizations have a different structure than companies in the past. Often they are flatter, without the multiple hierarchical levels of past businesses (Weisman, 1999) and teamwork is the norm. More organizations are becoming global, with smaller branch offices assuming responsibilities once held by huge corporate headquarters. In response to new organization structures, companies require new types of leadership. In the past, heroic leaders—those who have all the answers and can solve virtually any problem—ran companies (Weisman, 1999). Top executives

made decisions and their orders were handed down throughout the hierarchical layers, eventually being carried out by those at the lowest levels. Several studies show that contemporary organizations, like Wells Fargo Home Mortgage, are involving workers in planning, organizing, and controlling their own work (Hersey, Blanchard, & Johnson, 1996). Diverse groups within today's organizations must be able to work together in cross-functional teams to meet the needs of the organization as a whole. No longer are problems neatly confined to one department. Instead, one problem may involve several departments throughout the organization (LaBonte & Robinson, 1999).

The demands faced by Wells Fargo Home Mortgage did not seem unique when reviewing the literature. Consumers and business markets expect organizations to provide increased responsiveness and shorter cycle times. Technological advances have had and will continue to have great impact on organizations. Consumers and the competition have access to more information than ever before. Consumers also have access to more alternatives than in the past; if a consumer is unhappy with the products or services of one company, there are many others from which to choose. Naturally companies must be fast to respond to these needs and challenges.

Another aspect that creates both challenges and opportunities for contemporary organizations is the area of knowledge management. "In an era when it is knowledge rather than physical assets that increasingly defines competitive advantage, the process of managing knowledge becomes a central part" (ASTD Research, 1999b, p. 1). Corporations must determine how to store

knowledge, facilitate the transfer of knowledge, and create knowledge-sharing environments (ASTD Research, 1999b).

Changes such as these illustrate some of the many challenges facing current organizations. Improving corporate change initiatives, how organizations learn from change initiatives, and share and utilize those learnings should positively impact many key elements within corporations such as Wells Fargo Home Mortgage.

Significance of the Study

In today's fast-paced, ever-changing world, corporations that want to be competitive must be able to effectively and efficiently react to and implement changes. Those companies that cannot or will not make successful changes to address market trends and customer needs will find their customers turn to the competition.

Though most of today's companies are technologically savvy and have access to more information than ever before, many still struggle to successfully implement change. As corporations become larger through mergers and buyouts, internal silo structures prevent employees from sharing information across business lines to improve business practices.

The short-term result is that mistakes are repeated and inefficiencies are part of business as usual. Loss of customers, lagging profitability, and eventual company shutdowns are long-term possibilities for those corporations that do not find methods for improving.

Processes to minimize repetition of mistakes and inefficiencies, and maximize utilization of best practices, however, can be developed and utilized by corporations. In this study, findings and conclusions suggest ways of assisting organizations to more effectively implement change initiatives and to more effectively capture, share, and utilize key learnings from these change initiatives. Though this study does not purport to develop theory, given that the source of the information is from knowledge-elites, it is reasonable to assume that if organizations study these findings and act on them as applicable, they can expect to improve practices and processes for implementing projects and changes, reduce repetition of mistakes and inefficiencies, and change the culture of the organization to one in which employees share key learnings and ideas.

These knowledge-elites, corporate leaders, executive managers, project managers, knowledge management teams, and anyone interested in improving the way they conduct business will find this study relevant to their business practices. This audience will gain insights for analyzing and assessing organization change initiatives, and for reporting, sharing, and archiving the key learnings and ideas from the analysis.

Problem Statement

The problem of this study was to describe and analyze observations, insights, and recommendations from knowledgeable corporate players concerning how a corporation can more effectively and efficiently plan,

implement, and evaluate major change initiatives, and further use their experience gained to enhance the development of a learning organization.

Research Questions

The following research questions guided this study:

1. What should an organization know about the requisites for a successful change initiative?
2. What should an organization know about processes involved in a successful change initiative?
3. What should an organization know about how to perform a critical review of any change initiative in order to improve?
4. What should an organization do to successfully share and utilize key learnings in order to promote sustained improvement in change initiative practices?

Limitations

This was a qualitative study and because the majority of my respondents were from Wells Fargo Home Mortgage and spoke about their experiences with Wells Fargo Home Mortgage change initiatives, the results of this study are not generalizable to other organizations. I hope, however, that because many large corporations have had similar experiences with corporate practices, change initiatives, and organization learning, that organizations beyond Wells Fargo Home Mortgage may be able to utilize the results of this study to begin improving

their own change initiatives and the ways in which they capture, share, and utilize learnings.

Definitions

The following common words and phrases are used in a particular way in the Wells Fargo corporate environment and though generally understandable in context, are defined or described here to aid the reader.

1. *Cascading*: Distributing a communication to upper level managers who distribute the communication to their direct reports, who share it with their direct reports, and so on until front-line team members receive the message.
2. *IT*: information technology
3. *Initiative-related accountabilities (Managing Premier Performance: MPP)*: Formal annual reviews of individual team member performance for the prior year. At the start of a calendar year, each team member has a written set of performance objectives to which they are held accountable for performing throughout the year. Some of the objectives can be related to a particular change initiative.
4. *Learning organization*: Corporate environment that encourages team members to take calculated risks to improve the way business is done and to learn from and utilize knowledge gained from past mistakes.
5. *Made leaders*: Team members respected and recognized as leaders because of their work-related accomplishments.

6. *Meeting-in-a-box*: Support materials for a meeting prepared in advance and made available to managers across the organization who will hold a meeting on a particular topic.
7. *Off-the-shelf documentation*: Comprehensive materials prepared in advance and stored so they are accessible, that would allow almost immediate implementation of a solution to a problem or issue when it arises.
8. *On-boarding*: The training and period of time provided during which a new team member is to learn the basic information and processes necessary to perform a particular job.
9. *Project autopsies*: Lessons learned and project debrief discussions held after the conclusion of a project or change initiative.
10. *Siloed*: Individual departments working in isolation from other departments. Communication is weak between siloed departments.
11. *Solutioning*: The process of developing a solution to a problem.
12. *Timeline drivers*: Any factors that should impact the timing of a change initiative. For example, the time it takes information technology human resources to develop the programming for an electronic solution is a timeline driver.

Chapter 2

REVIEW OF LITERATURE

Contemporary business markets are dynamic and unpredictable and require organizations to frequently implement and sustain change. According to Fuller (1996), "we live in an era of total competition, where the external environment is highly complex, unstable, and unpredictable" (p. 22). Business-as-usual is no longer an option. Employees and organizations must be flexible and adaptive. Several components as to how companies might approach today's business demands for successful change initiatives are relevant to this study. These components include: organization culture and structure, change, leadership, vision, teams, motivation and needs, developing solutions, strategic approaches, systems thinking, mental models, needs assessment, project management, communication, organization learning, and knowledge management.

Organization Culture and Structure

Contemporary society requires that organizations be fast, flexible, and global (Davis & Botkin, 1994). Teamwork and fast-changing markets define organizations. Companies rely more heavily on teams to meet organizational goals. The business environment demands quick responses and on-target solutions to problems. More organizations are becoming global with smaller

branch offices assuming responsibilities once held by huge corporate headquarters. Organizations require leaders who can “share responsibility, implement a tangible vision and encourage a sense of ownership among employees at all levels of their organizations, and accept criticism well” (Dutton, 1996, p. 7).

Senge identified seven problems that face organizations and their team members. (1) People tend to see their responsibilities as limited to the boundaries of their position. (2) People tend to blame someone else for problems. (3) People react rather than being proactive. (4) People fixate on events that prevent them from seeing longer-term patterns of change. (5) People and organizations don't react to change until it is too late. (6) The most powerful learning comes from experience, but people never experience the consequences of many of the most important decisions they make. (7) People expect management to solve everything and avoid tackling complex issues (Senge, 1990).

Sashkin identified four issues of organizational culture: adaptation—“how people deal with external forces and the need to change,” goal achievement—“the nature of organizational goals, how they are defined, and their importance,” coordination—“how people work together to get the job done,” and shared values and beliefs—“the degree to which people in the organization generally agree that these values and beliefs are important and should guide their actions” (Sashkin & Rosenbach, 1996, p. 15).

Merriam and Caffarella (1999) cited the shift to an information society as making learning, information processing, and problem-solving skills central to the survival of individuals and organizations. Organizations are beginning to constantly reorganize themselves, moving people between functions (Kiechel, 1990). According to McLagan, traditional job descriptions have not been “flexible enough for the constantly changing world of new strategies, memberships on multiple teams, customer requirements, and competitive maneuvers” (1997, p. 21). Companies have a flatter structure now, without the multiple hierarchical levels of past businesses (Weisman, 1999). The contemporary structure requires employees to be involved in previously “management jobs” —planning, organizing, and controlling their own work (Hersey et al., 1996)—an expectation that suggests numerous changes in what employees need to know, how they participate on teams, and how to work with change.

Change

Taking risk associated with change is essential for success (Pritchett, 1996). According to Senge, “companies that fail to sustain significant change end up facing crises” (Senge et al., 1999, p. 6). But implementing and sustaining change is difficult. To implement and sustain change, the barriers to change must be recognized.

Change can be defined as “a process through which people and organizations move as they gradually come to understand and become skilled and competent in the use of new ways” (Hall & Hord, 2001, pp. 4-5). One key to

this definition is treating change as a process rather than an event (Hall & Hord, 2001). According to Hersey et al. (1996), there are four levels involved in the change process. These levels are knowledge, attitude, individual behavior, and group or organizational behavior. Organizational behavior will not change until people first have the knowledge to make a change, until individuals change their attitudes, which in turn will allow individuals to change their behaviors, which in turn can change the behavior of an organization. Hall and Hord (2001) also noted that there is an individual aspect to organizational change.

Many people do not want to change because of a fear of the future, comfort with the status quo, the uncertainty inherent in any change, and because something must always be given up in order to change (Pritchett & Pound, 1990). Despite resistance to change, however, it is possible for companies to make and sustain meaningful changes, if they remain committed to the change process.

Kotter (1998) noted that the change process goes through eight phases that each take time for individuals and an organization to accommodate and assimilate: (1) establishing a sense of urgency, (2) forming a powerful guiding coalition, (3) creating a vision, (4) communicating the vision, (5) empowering others to act on the vision, (6) planning for and creating short-term wins, (7) consolidating improvements and producing still more change, and (8) institutionalizing new approaches. Skipping steps to make the process more efficient does not produce a successful change initiative he warned. Part of establishing the sense of urgency necessary for a successful change, for

example, is creating the business case for change so that people feel they are working on something important (Senge, Roberts, Ross, Smith, & Kleiner, 1994).

Several steps are part of the successful implementation of a change initiative. These steps, according to Pritchett (1996), included explaining the rationale for the change, providing a clear outcome so people understand where they are going, giving employees an active role in designing the change, ensuring that people know how to make the change, communicating details throughout the change initiative, and admitting there will be problems along the way. In addition, the organization's reward system must support the change. According to Hall and Hord, "If the assumption is that change is a process, then the plan for change will be strategic in nature. It will allow at least three to five years for implementation, and will budget the resources needed to support formal training and on-site coaching" (2001, p. 5).

Another component in the change process identified in Hersey and Blanchard's Situational Leadership Theory is follower readiness to perform a particular task or activity required in the change process. The researchers identified four levels of readiness: Level R1: unable and unwilling or insecure; R2: unable but willing or confident; R3: able but unwilling or insecure; and R4: able and willing and confident (Hersey et al., 1996).

Newhouse and Chapman (1996) explored how two similar organizations set about trying to transform their organizations. One organization was successful while the other organization abandoned their attempt at transformation after two years. In the successful organization, change was

introduced slowly as the directors themselves learned how to manage the organization in a traditional manner. Emphasis was placed on performing concrete behaviors. Management led by example. In the organization that abandoned the change process, there was little training provided in the new structure, outside consultants helped determine the new structure, strong leadership was absent, and membership at large felt it was not consulted in the process, but rather told what changes they had to make.

Once a change has been made, "sustaining change requires understanding the reinforcing growth processes and what is needed to catalyze them, and addressing the limits that keep change from occurring" (Senge et al., 1999, p. 8). The new initiatives must be made an integral part of the company's culture in order to sustain the change (Kotter, 1998). According to Hall and Hord:

Leaders on the development side, such as policy-makers, often lose interest once development is done and implementation begins. They are ready to move on to the next initiative, which frequently leads to loss of support for the implementation of the first initiative (2001, p. 7).

Communication, incentives, and business practices should all align with and be supportive of the change initiatives in order to support sustaining the change (Kotter, 1996).

Leadership

Leadership is another component of how companies manage change, approach business demands, develop organization learning, think systemically,

and manage knowledge. According to Hall and Hord, "While there are multiple factors associated with the success of change processes, a highly significant one is leadership" (2001, p. 103). Today's organizations require leaders who can "share responsibility, implement a tangible vision and encourage a sense of ownership among employees at all levels of their organizations, and accept criticism well" (Dutton, 1996, p. 7). Hersey et al. defined leadership as the "process of influencing the activities of an individual or group in efforts toward goal achievement in a given situation" (1996, p. 91). In Bass and Stogdill's Handbook of Leadership, leadership is defined as "an interaction between two or more members of a group that often involves a structuring or restructuring of the situations and the perceptions and the expectations of the members. Leaders are agents of change—persons whose acts affect other people more than people's acts affect them" (1990, p. 19). Hogan, Curphy, and Hogan defined leadership as a process that "involves persuading other people to set aside for a period of time their individual concerns and to pursue a common goal that is important for the responsibilities and welfare of a group" (1994, p. 493). Kouzes and Posner believed leaders look to the future and have a sense of what can be if the organization works together and "show others how their values and interests will be served by the long-term vision of the future" (1988, p. 79).

Definitions of leadership also include elaborations of characteristics of types of leadership with a recent emphasis on transformational leaders (Van Eron & Burke, 1992). The transformational leader is concerned with change and "communicates and focuses attention on a clear vision of future conditions that

address the needs and values of the organization and of the leader's individual followers" (Van Eron & Burke, 1992, p. 149). According to Hersey et al. (1996), transformational leadership is defined as:

a deliberate influence process on the part of an individual or group to bring about a discontinuous change in the current state and functioning of an organization as a whole. The change is driven by a vision based on a set of beliefs and values that require the members of the organization to urgently perceive and think differently and to perform new actions and organizational roles. (p. 525)

The transforming leader, according to Burns, "looks for potential motives in followers, seeks to satisfy higher needs, and engages the full person of the follower. The result of transforming leadership is a relationship of mutual stimulation and elevation that converts followers into leaders and may convert leaders into moral agents" (1978, p. 4). Underlying all of these definitions and explanations of leadership is the common theme of a leader as a person who influences a person or group of people to make changes in hopes of achieving a goal.

As organizations rely more heavily on teams to meet organizational goals, leaders are more prevalent and necessary throughout the organization.

According to Dutton, leadership is essential for top executives and for middle management because "every leader also is a colleague, peer, and subordinate to somebody" (1996, p. 7). Kur proposed that organizations will achieve dramatic results only if they develop "a spectrum of leadership that is aligned throughout

an organization, permeating every level, every group, every function, and every person" (1997, p. 267). Capowski stated that to be successful, today's organizations need people who possess both managerial and leadership qualities. "Vision without any kind of structure will reap chaos. Structure without any kind of vision will sow complacency" (Capowski, 1994, p. 13). Antonioni (1994) stated that successful managers may also function as team leaders. To be successful, managers must function as internal consultants, visionaries, experimenters, coaches, and educators for the members of their teams (Antonioni, 1994). Weisman believed that to face the demands of current organizations, leaders must be able to perform behaviors such as "shared decision-making, modeling the way, eliciting trust and motivation, and enabling others to act" (1999, p. v). Such behaviors are interpersonal and facilitative, and much in tune with the teams many organizations are utilizing today (Weisman, 1999).

Vision

A shared organizational vision is a concept that will also impact the success of an organization and the success of its change initiatives. "A shared vision is a vision that many people are truly committed to, because it reflects their own personal vision" (Senge, 1990, p. 206). The shared vision is the target that inspires new ways of thinking and acting (Senge, 1990). When members of an organization develop a shared vision, they are able to work to achieve that vision. Meindl, for example, believed that vision is "absolutely central to the new way of

organizing" (1998, p. 21). According to Thoms and Greenberger (1998), "vision is an image created in the mind of the leader that followers react to positively when it reflects their values, shows an ideal future, and contains enough information to provide direction for future behavior" (p. 4). Thoms and Greenberger defined visioning ability as "the ability to create a positive image of an organization in the future" (1998, p. 5). Yet another way to define vision is "a picture of the future painted by the organization's core values and desires" (Hersey et al., 1996, p. 94). Bass and Stogdill believed "envisioning is the creating of an image of a desired future organizational state that can serve as a guide for interim strategies, decisions, and behavior" (1990, p. 214). Nanus defined vision as a "realistic, credible, attractive future for your organization" (1992, p. 8). In addition, vision is an "articulation of a destination toward which your organization should aim, a future that in important ways is better, more successful, or more desirable for your organization than is the present" (Nanus, 1992, p. 8). According to Nanus, the right vision will do four things for an organization: attract "commitment and energize people," create "meaning in workers' lives," establish a "standard of excellence," and bridge "the present and future" (1992, pp. 16-17). A vision is general and should challenge followers because it impacts followers' needs and goals; it challenges the status quo but is within the realm of possibility; and it focuses attention on desired outcomes (Kirkpatrick & Locke, 1996).

Teams

Diverse groups within today's organizations must be able to work together in cross-functional teams to meet the needs of the organization as a whole. No longer are problems neatly confined to one department (LaBonte & Robinson, 1999). The reward for working together cross-functionally is being able to help solve complex problems that cannot be solved by isolating a single department. Team learning allows the team to think insightfully about complex issues. The team can generate innovative, coordinated action (Senge, 1990). A team solving problems together can do more than the sum of all the individual's capabilities if working alone. The power of a team, according to Senge, is "they are producing extraordinary results but the individual members are growing more rapidly than could have occurred otherwise" (1990, p. 10).

Heifetz (2000) suggested that people must be mobilized to work to solve problems themselves rather than expect an authority figure to solve the problem for them. Heifetz's adaptive work approach is that the people themselves must do the difficult work. Team members must carry through on implementing solutions if meaningful change is to happen. The team members must work to identify the issues, learn about the issues and consequences of potential solutions, determine which solution aligns with the values and goals of the people, then work together to implement the solution.

Motivation and Needs

Motivations and needs are important concepts in the success of a change initiative and the success of a leader (Burns, 1978; Cronin, 1993; Hersey et al., 1996; Kotter, 1993). There is a hierarchy of needs which is expressed in Maslow's physiological, safety, social, esteem, and self-actualization levels, Alderfer's existence, relatedness, and growth levels, and McClelland's need for affiliation and need for achievement levels. "The behavior of individuals at a particular moment is usually determined by their strongest need" (Hersey et al., 1996, p. 40). To have a successful change, the needs and motivations of those who must make the change should be understood and then strategies for motivation developed which align with those needs.

Several studies show that one method for successfully motivating workers is to involve workers in planning, organizing, and controlling their own work (Hersey et al., 1996). When people are involved in deciding how to achieve an organization's vision, they are more apt to be motivated to assist in attaining that vision (Kotter, 1993).

Developing Solutions

The literature suggests considering multiple alternatives as solutions are developed. Heifetz's concept of conflicting ideas is fodder for generating multiple potential solutions to a problem. According to Heifetz (2000), to address problems that have no simple answers requires that people learn about the issue, work to generate possible solutions, and eventually work together to

implement a solution. Conflicting ideas will allow groups to generate more potential solutions than if people were in immediate agreement. If everyone were to immediately agree to a particular solution they are apt to put into place a quick fix that may initially seem to solve the problem. Quick fixes, however, generally serve to mask the underlying problem, allowing it to become even worse over time. In time, when people realize that the quick fix did not solve the problem, the problem itself is even bigger and requires even more difficult, adaptive work. But continuous conflict or disequilibrium is not the answer to problems either. There must be a balance between disequilibrium and equilibrium in order for adaptive work to be productive (Heifetz, 2000).

Lankard (1996) identified a five step problem-solving process. (1) Self-direct a search for a solution. (2) Brainstorm with others and gather further information about the problem. (3) Work in teams to discuss alternatives and examine potential solutions. (4) Share information with others. (5) Formally present findings. Part of developing a solution involves understanding who are the key players, who will be impacted by a change, what impacts the chosen solution will have throughout the organization, and how other organizations in the same field approach a particular problem or issue. There are a variety of methods, including interviews and surveys, for gaining the knowledge necessary to develop and validate a solution (Wells, 1998). Another aspect of developing an appropriate solution is creating scenarios of the future states that may arise because of the solutions being developed. These potential future states can help

to shape a solution that will help to bring about the best possible future scenario (Wells, 1998).

Strategic Approaches

Making strategic decisions about change involves thinking about the future implications, considering the competition, and determining how to change in order to recognize the greatest advantage (Wells, 1998). In order for change initiatives to have a greater chance for success, Conner recommended being selective about what changes are implemented. Change is mandatory only when “the price for maintaining status quo is higher than the price of transition” (Conner, 1993, p. 91). According to Senge, “the areas of highest leverage are often the least obvious” (1990, p. 63). Organizations must think strategically and systemically in order to identify those areas of highest leverage to target for change. Kemeny and Goodman (1999) recommended starting with initiatives that have the most impact over the least amount of time. In order to make strategic decisions, significant resources should be committed to an initiative, the project team should be given the latitude to look at whole new approaches to problems, and it should be recognized that the change is expected to have lasting impact. Strategic dialogue should be utilized in these situations to create a spirit of inquiry, and a climate of discovery, questioning, and explanation (Bennett & Brown, 1995). According to Wells, strategic thinking involves taking time to ask questions while recognizing that there is no one right answer. By exploring the responses to the questions, the project team should have explored information

from sources, developed interpretations and evaluations, arrived at some tentative business decisions, assessed the need for new information and chosen methods to attain further desired information if necessary. According to Wells, this methodology provides the direction for action. "Many organizations institute programs of change that are too heavily targeted on doing something different, rather than thinking in a different way" (Wells, 1998, p. 52). Instead, the strategy behind a change initiative should always be "about positioning for future competitive advantage" (Wells, 1998, p. 52).

Systems Thinking

If change initiatives are to be meaningful and address the demands of global consumers and markets, the organization and its initiatives need to be viewed systemically. Systems thinking strives to identify the roots to chronic problems (Systems Thinking, 1995). Instead of thinking systemically, many companies have become dependent on short-term fixes because they quickly solve a problem and appear to save the day. But in reality, these short-term fixes actually cause more long-term problems and never address the root causes (Kim, 1994). The goal of systems thinking is to look for the systemic explanation for why something is wrong rather than looking at it like an isolated event (Ross, 1994b).

According to the systems thinking philosophy, organization change is "participative at all levels—aligned through a common understanding of a system" (Senge et al., 1994, p. 89). Systems thinking means there are patterns

of interrelationships among the key components of the system within an organization (Senge et al., 1994). When practicing systems thinking, businesses must recognize that there are no right answers, cause and effect are not closely related in time and space, time delays are necessary before results are seen, and conditions will often get worse before they improve (Roberts & Kemeny, 1994).

Mental Models

Current mental models—internal images of how things work—can limit thinking to only the familiar ways of doing things and to the common solutions to problems. Identifying and understanding mental models will enable the creation of new ideas that break out of their current, limiting models. “New ideas fail to get put into practice because they conflict with deeply held internal images of how the world works, images that limit us to familiar ways of thinking and acting” (Senge, 1990, p. 174). Senge recommended “reflecting on, continually clarifying, and improving our internal pictures of the world” in order to develop learning organizations and to be more successful with change (Senge et al., 1994, p. 6).

Needs Assessment

The needs assessment is the first step in a process which should result in a close in the gap between current and desired results. As Kaufman stated, “Needs assessment is an absolute necessity if you are to stand any real chance of creating a relevant intervention” (Zemke, 1998, p. 40) Yet often a needs

assessment is not conducted at all or is completed inadequately so that results are not useful. When a needs assessment is not conducted before intervention begins, generally those solutions that are most comfortable are the ones implemented. According to Kaufman (1994), these comfortable solutions often focus on the means and resources rather than the gaps between current results and desired results, and, as such, address only the perception of needs.

According to Rossett (1990), hindrances to conducting a needs assessment include flawed needs assessments, no organizational support for needs assessments, and inadequate expertise assigned to the effort. But as Zemke pointed out, "when time and resources are at a premium, it becomes especially critical to analyze the causes of performance problems before rushing in to solve them with remedies you're only guessing at" (1998, p. 40).

Ruyle (1999) discussed a component of the needs assessment process—task analysis. Task analysis dissects a job to yield the principal tasks until the task is understood well enough by the performance technician to explain it to others. Since this approach should only be used to analyze tasks known to be problematic, a needs assessment should first identify a problem area before a task analysis is completed.

Project Management

There is a defined process for managing projects. The steps in managing a project according to Lewis (1997) are (1) define the problem; (2) plan the project including what must be done, who will do it, how will it be done, when

must it be done, and how much will it cost; (3) execute the plan; (4) monitor and control progress by determining if progress is on target and if not what must be done; and (5) close the project which includes determining what was done well, what should be improved, and what were the learnings. A project team goes through four phases during a project lifecycle: (1) the forming stage, (2) the storming stage during which anxiety sets in, the team questions the goals of the initiative, and what they are supposed to do to complete the initiative; (3) the norming stage during which the individuals on the project team see themselves as a team; and (4) the performing stage during which the bulk of project work is accomplished (Lewis, 1997).

Communication

“Language is a medium of change” stated Bethanis (1995, p. 188).

Communication must also be considered as an essential component (Cronin, 1993; Hersey et al., 1996; Kotter, 1993; Smith & Smits, 1994). Cronin (1993) stated, “Part of being an effective leader is having excellent ideas, or a clear sense of direction, a sense of mission. But such ideas or vision are useless unless the would-be leader can communicate them and get them accepted by followers” (p. 10). Hersey et al. (1996) listed communicating as one of the three competencies of leadership. “If you cannot communicate in a way that people can understand and accept, you will be unlikely to meet your goal” (p. 10). “Good leaders motivate people in a variety of ways. First, they always articulate the organization’s vision in a manner that stresses the values of the audience they

are addressing" (Kotter, 1993, p. 32). A competent leader utilizes effective communication strategies though these strategies differ depending on the leader, the followers, the situation, and available resources.

Communication must also take place within the project team. Dialogue within a project team must include listening fully, not just to what is said, but to what is behind the words. In order to have this type of dialogue, the project team must observe and suspend assumptions (Isaacs, 1994). The project team must also make openness and trust the rule rather than the exception (Ross, 1994a).

In order for change to be successful, the change messages must be over-communicated. These change communications need to include general updates, details about the problems, and upbeat messages that cheer the change efforts (Pritchett, 1996). Based on his research, Kotter stated that executives need to communicate the change message by incorporating it into their "hour-by-hour activities" (1998, p. 10). Kotter (1998) identified under-communicating the change vision as one of the top eight reasons why change initiatives fail.

Organization Learning

Organization learning is one significant component of how organizations can address the uncertainty of the future and remain competitive (Hoerr, 1999; Kiechel, 1990; Rheem, 1995). Learning enables organizations to adapt, change, develop, and transform in response to the changing needs of the world and the organization's stakeholders. "Workers must be able to analyze and interpret information to solve problems for which there are no given answers; connect

facts, concepts, and processes; integrate functional capacities and behaviors; and transfer thinking across environments" (Brown, 1998, p. 1). The most successful companies are those that continuously review their processes looking for ways to improve rather than just riding on the tails of past successes (Hoerr, 1999). An additional value of a learning organization is employee satisfaction. "Workers are beginning to demand excellent training and career development as a benefit of employment" (ASTD Research, 1999a, p. 1).

A learning organization is one "with an ingrained philosophy for anticipating, reacting and responding to change, complexity and uncertainty" (Malhotra, 1996). A learning organization, according to Gavin (1993), should be skilled at five activities: systematic problem solving, experimentation with new approaches, learning from their own experiences and past history, learning from experiences and best practices of others, and transferring knowledge quickly and efficiently throughout the organization.

One of the five philosophies of education that Darkenwald and Merriam outlined is organizational effectiveness. The organizational effectiveness philosophy supports a notion that "adults employed by public and private agencies and organizations are involved in educational programs designed to achieve the organization's goals" (Darkenwald & Merriam, 1982, p. 64). The aim of adult education, according to this philosophy, is to develop "human resources for the purposes of enhancing an organization's effectiveness" (Darkenwald & Merriam, 1982, p. 64).

One component of a learning organization is personal mastery. Through personal mastery, the learner expands her personal capacity to create the results she most desires. Personal mastery involves a commitment to lifelong learning (Senge, 1990). The benefit of personal mastery to the organization is that the organization will only learn and improve as the individuals within the organization learn and improve.

Knowledge Management

Knowledge management is a tool organizations can utilize to store knowledge, facilitate the transfer of knowledge, and create knowledge-sharing environments (ASTD Research, 1999b). Useful knowledge has difficulty traveling from one department to another because of the structure of organizations and the isolation typical of each department within an organization (Senge et al., 1999). Companies also face the challenge of how to best store and distribute knowledge so it is utilized. "In an era when it is knowledge rather than physical assets that increasingly defines competitive advantage, the process of managing knowledge becomes a central part of the learning process (ASTD Research, 1999b, p. 1). According to the ASTD, the need for knowledge management is increasing because of the following: capturing what employees learn through customer contact, benchmarking to find best practices, increases in global operations, customers who seek knowledgeable firms, rises in knowledge-based work, and the necessity of providing increased responsiveness and shorter cycle times (ASTD Research, 1999b).

Strategies and concepts for fostering knowledge management can be developed. Communities of practice, “informed webs of people who work together regularly,” can spread ideas throughout an organization (Senge, et al, 1999). Dixon and Ross (1999) suggested several opportunities for knowledge management, including removing boundaries between departments and teams so information can move throughout an organization, data banks of best practices, cross-functional communications, video conferencing, peer assisted internal consulting, knowledge stewards, open-book management, boundaryless organizations, decentralized decision-making, and measurement of results including lessons learned, learning histories, morning meetings, and after-action reviews. One common knowledge management practice is the creation of an intranet (ASTD Research, 1999b).

Several challenges regarding knowledge management are “creating and storing knowledge in repositories, measuring the financial value of knowledge, facilitating the transfer of knowledge, and creating a knowledge-sharing environment” (ASTD Research, 1999b, p. 2). Even when attempts are made to share learning across departments, many teams wrongly believe that the learnings from other departments do not translate to projects worked on in a different department, or, that learnings are not significant, therefore not worth applying in other situations (Senge et al., 1999).

Chapter 3

METHOD

I utilized qualitative research, based on many of the principles of grounded theory, in order to best answer the research questions posed for this study. Though according to Creswell (1998), grounded theorists often undertake research to develop theory, this study was intended to produce findings and conclusions that organizations can apply immediately to potentially improve corporate change initiatives and to more effectively capture, share, and utilize key learnings from these change initiatives. Therefore the methodology I utilized, though conducive to potentially generating theory, was intended to facilitate immediate and practical ideas to increase organization learning. Qualitative research, which affords interviews with knowledgeable respondents, an exploration of relevant data, and a discovery of varying viewpoints about best practices for corporate change initiatives, seemed the best approach for answering the research questions and developing rich, useful applications for practice.

Identification of Respondents

To identify respondents for this study I used purposeful, or purposive, sampling (Schumacher & McMillan, 1993). By using purposive sampling, I selected participants "based on their ability to contribute to an evolving theory"

(Creswell, 1998, p. 118). My rationale for using purposive sampling was that “a few cases studied in depth yield many insights about the topic” (Schumacher & McMillan, 1993, p. 378). Though Schumacher and McMillan state that a few cases can yield many insights, I interviewed 20 individuals to make sure I explored extensive possibilities for the findings and conclusions of this study.

To generate the initial list of respondents to interview, I spoke with three people at Wells Fargo Home Mortgage in West Des Moines, Iowa, who were instrumental in helping me to develop the initial concept for this study. My key informants were Joyce Merschman, manager of the national implementation team, Trish Perry, manager for change initiatives in the enterprise project management office, and Maria Volante, Senior Vice President, sales systems office, of which the National Implementation Team is a part. These individuals served as information-rich key informants (Schumacher & McMillan, 1993). As interviewee informants, Merschman, Perry, and Volante had extensive experience in the field of corporate change initiatives, business design, and organization development. Each held a leadership position within corporations in the greater Des Moines area for more than a decade, thus providing ample time for each to develop contacts who were relevant to interview for this study.

I initially selected these key informants from Wells Fargo Home Mortgage as a matter of convenience because I was an employee of Wells Fargo Home Mortgage and worked as a member of the national implementation team. However, the three were also key informants because one of the critical roles of the sales systems office and the enterprise project management office was to

successfully implement and sustain major change initiatives within Wells Fargo. As a result, Merschman, Perry, and Volante, as senior members of the sales systems office and enterprise project management office, have a keen interest in and knowledge about the subject matter of this study, and have professional and personal contact with individuals who were knowledgeable about and interested in successful corporate change initiatives.

To begin the process of identifying potential respondents for this study, I met with Merschman, Perry, and Volante to discuss an overview of the study. After the initial meeting, I had a one-on-one meeting with Perry during which we discussed literature I should review to prepare for upcoming interviews. While I was reviewing literature to assist me in generating interview questions, Merschman, Perry, and Volante offered suggestions of people they felt could offer insight into the improvement of corporate change initiatives. Maria Volante also served as a respondent for this study since she had the corporate experience to offer insight into the subject matter of this study.

I used Merschman, Rhea Heintz, Vice President of Wells Fargo Home Mortgage Business Design and Integration, Greg Garver, Vice President of Wells Fargo Home Mortgage Enterprise Project Management Office, and Tom McClain, Director of Wells Fargo Home Mortgage Enterprise Project Management Office, as respondents to conduct a small pilot program to test the interview questions. For the pilot, I shared an overview of the purpose of the study with Merschman, Heintz, Garver, and McClain, then shared with them the questions I had developed for each of the knowledge elite groups. I asked them to respond to the

clarity of questions, comprehensiveness of questions, and appropriateness of questions to get at the types of information in which I was interested. I then revised the questions based on their input. Specifically I had initially focused several questions on post-implementation activities, but revised the overall mix of questions to focus more evenly on pre-implementation, implementation, post-implementation, and sharing key learnings.

To expand the pool of interviewees beyond the names generated by the key informants, I used network sampling, in which I asked each interviewee for additional names of respondents to interview (Schumacher & McMillan, 1993). To conduct network sampling, at the conclusion of each interview I asked for names of additional people to utilize as respondents. I continued to expand the list of people to interview through this methodology until the outcomes of the interviews exhibited a lack of new topics and ideas relevant to the purpose of this study, therefore indicating that the categories were saturated (Creswell, 1998).

Interview Formulation

After having identified a potential list of interviewees using the methods explained above, Volante contacted each of the senior level executives via email to explain the purpose of the study, her interest in the outcomes of the study, and her hope that each would be willing to participate in the study. Merschman contacted each of the consultants and managers identified as respondents to explain the purpose of the study, her interest in the outcomes of the study, and her hope that each would be willing to participate in the study. After respondents

had been contacted initially by Volante or Merschman, I contacted each of the potential respondents either by phone or via email to remind them of the purpose of the study. I reminded each informant how each was chosen as a potential respondent for the study, and presented an overview of what I hoped to accomplish during the interview if each agreed to be a respondent. I then set up a time for the interview with each respondent who agreed to participate. I utilized Outlook scheduling software to arrange interviews with Wells Fargo employees. I set up interview times while on the phone for respondents external to Wells Fargo.

Interview Procedures

Interviews, both face-to-face and via phone conference, were the primary method for data collection for this study. When possible, interviews were conducted face-to-face in a location convenient for the interviewee. For interviewees internal to Wells Fargo Home Mortgage, and who worked at the Mortgage Headquarters in West Des Moines, Iowa, interviews were conducted in conference rooms at the Home Campus. For interviewees external to Wells Fargo Home Mortgage and those Wells Fargo employees who work outside the greater Des Moines area, twelve interviews were conducted via phone conference calls. When possible, interviews were recorded. In addition, I recorded field notes during all interviews.

Though I used a semi-open format for interviews, I constructed an interview protocol to help guide the interview processes. The protocol included

opening remarks with an overview of the purpose of the study, and the main questions that provided the framework for the interview discussion. The protocol also provided space for me to write notes during the interview. I also attached the protocol to the Outlook interview invitations so that each respondent would be able to review the purpose overview and interview questions prior to the interview if they wished.

I utilized three types of questions for all interviews conducted for this study: main questions, probes, and follow-up questions (Rubin & Rubin, 1995). I prepared primary interview questions before the interviews to guide conversation. Since the research interview was "a professional conversation" (Kvale, 1996, p. 5), I created open-ended questions to guide the interview process while allowing for extensive input from each of the interviewees. Thus, the main questions were open-ended and encouraged a deep discussion during which the interviewees had the opportunity to share details, stories, and experiences relevant to the study. During the interviews, I encouraged interviewees to express opinions and share detailed experiences, but tried to keep the discussion focused enough to keep interviewees from wandering from the subject (Rubin & Rubin, 1995).

For many of the interviews, I utilized the same main questions. I developed four basic sets of questions—one set for executives, one for project managers, one for information managers, and one for consultants. The questions for executives were broader than those for the other groups because I believed that the executives would best be able to give perspective on the overall picture. Questions for project managers were more specific because this group focuses

on the details of project management. Questions for information managers focused on gathering and sharing information in an organization, because this was their area of expertise. Questions for consultants drew from questions in each of the other categories because I talked with a variety of types of consultants. The specific questions I asked of each consultant depended on each consultant's expertise. Despite having the four sets of guiding questions, as I prepared for each interview, I considered the specific expertise of each interviewee and made adjustments to the main questions accordingly.

During the interviews, probes were used to encourage respondents to complete an incomplete answer, to clarify an answer, or to request further information and evidence. According to Rubin and Rubin (1995), probes performed three functions: helped specify the level of depth the interviewer wants, asked interviewee to finish up the answer being given, and indicated that the interviewer is paying attention. Probes helped to ensure the interviewer received a "reasonably accurate and understandable answer while encouraging the interviewee to keep talking" (Rubin & Rubin, 1995, p. 150).

Follow-up questions were not prepared in advance because they were based on responses to the main questions. Follow-ups were asked when respondents provided partial narratives, one-sided descriptions, contradictions to information learned earlier in the interview or mentioned in a previous interview, guarded statements, and incomplete answers. The purpose of a follow-up question was to get the depth necessary by "pursuing themes that are

discovered, elaborating the context of answers, and exploring the implications of what has been said” (Rubin & Rubin, 1995, p. 151).

Though I utilized follow-up questions to clarify points that were contradictions to information learned in earlier interviews, “it is in fact a strength of the interview conversation to capture the multitude of subjects’ views of a theme and to picture a manifold and controversial human world” (Kvale, 1996, p. 7). Therefore I did not attempt to direct interviewees’ responses so that I got a consensus, but rather used follow-up questions to make sure I clearly understood each unique perspective.

Knowledge Elite Groups

- A. Executives
- B. Project Managers
- C. Information Managers
- D. Consultants

Interview Questions

The following questions provided the framework for each interview with respondents from each of the knowledge elite groups.

Group A: Executives

I’m interested in what we at Wells Fargo Home Mortgage should be learning and diffusing throughout the organization from our change initiative

projects, or stated another way, what key learnings we are generating but not capturing to put back into the organization.

A1. From your experience, how can our organization better capture and utilize what we learn during a change initiative?

A2. From your experience, what are the most overlooked elements of a change initiative?

Possible Probe: How can we make sure we incorporate those elements in future projects?

A3. From your broad corporate experience, what groundwork is needed prior to beginning a change initiative?

A4. Finally, what, in your experience, are the most critical elements of a successful change initiative once the groundwork is in place?

Group B: Project Managers

I'm interested in what we at Wells Fargo Home Mortgage should be learning and diffusing throughout the organization from our change initiative projects, or stated another way, what key learnings are we generating but not capturing to put back into the organization. Specifically, I'm interested in the ways our past project experiences can help us do a better job of implementing projects in the future. Please think about some of the bigger initiatives you've been a part of at Wells Fargo Home Mortgage.

B1. Tell me about the things you have to do to get ready to begin a major new project. What are the most crucial pre-implementation steps? Why? How can those steps be improved?

B2. Tell me about the steps you and a project team go through during the implementation of a major project. What are the most crucial implementation steps? Why? How can those steps be improved?

B3. Tell me about the steps you and a project team go through after the implementation of a major project. What are the most crucial post-implementation steps? Why? How can those steps be improved?

B4. Based on your experience, what specific strategies would you suggest for Wells Fargo Home Mortgage to better capture, store, and utilize what we learn?

B5. Is there anything you feel gets left out of the pre-implementation, implementation, or post-implementation process that would help to improve the process? Why, in your opinion, don't we currently do that? Why would those things be an improvement? How do you think we, as an organization, can make sure we start doing those things?

B6. Think about the biggest project you've undertaken for Wells Fargo Home Mortgage. Based on what you learned from that project, if Pete Wissinger asked for your advice for improving future initiatives similar to that one, what would you tell him?

Group C: Information Managers

I'm interested in what we at Wells Fargo Home Mortgage should be learning and diffusing throughout the organization from our change initiative projects, or stated another way, what key learnings are we generating but not capturing to put back into the organization. Specifically, assuming that individuals and groups learn from experience, I'm interested ways our experiences with and learnings from past projects can help us do a better job of implementing projects in the future. In order for learnings from past initiatives to make a difference in future initiatives, we have to be able to share that information throughout the organization.

C1. How can any organization better capture and later use what they learn?

C2. What specific strategies would you suggest for Wells Fargo Home Mortgage to better utilize what we learn?

Possible Probe for C1 and C2: What do you think are the biggest challenges in gathering and storing information like that? Why? How can we overcome those challenges?

C3. What is Wells Fargo Home Mortgage already doing for knowledge management?

Possible probe: How can we utilize that? Do we already have that capability? If not, what will it take for us to be able to do that? (To address potential technology issues)

C4. What do we need to do differently? Are there barriers in our organization that prevent us from incorporating what we have learned into new routines?

Group D: Consultants

I'm interested in what we at Wells Fargo Home Mortgage should be learning and diffusing throughout the organization from our change initiative projects, or stated another way, what key learnings are we generating but not capturing to put back into the organization. Specifically, I'm interested in the ways our organization can learn from past project experiences in order help us do a better job of implementing projects in the future.

Following are samples of questions asked of consultants. Specific questions depended on the particular expertise of each consultant.

D1. What, in your opinion, are the most critical elements of a successful change initiative?

D2. What are the most overlooked elements of a change initiative?

D3. How can any organization better capture and later use what they learn?

D4. Are there common barriers in organizations that prevent them from incorporating what they have learned into new routines? What are ways to overcome those barriers?

D5. What specific strategies would you suggest for Wells Fargo Home Mortgage to better capture, share, and utilize what we learn?

Document Data Sources

Public and corporate documents were a second data source for this study. I utilized the same key informants—Merschman, Perry, and Volante—to compile a list of relevant public and corporate documents to review. A private document source, in the form of notes I compiled as I worked on the study, was another data source. In the notes I recorded ideas that I generated as I conducted the interviews, reviewed the public documents, and reviewed the literature (Bogdan & Biklen, 1982).

Data Management

Data were managed in a systematic and organized fashion (Creswell, 1998; Huberman & Miles, 1994). The purpose of data management was “high-quality, accessible data; documentation of just what analyses have been carried out; and retention of data and associated analyses after the study is complete” (Huberman & Miles, 1994, p. 428). I set up folders for written documents and electronic files for electronic data. Electronic documents were filed on computer, with back-ups. Hard copy data were stored in folders in file cabinets at home, with backup copies in my office at work. Interview protocols and other forms for recording information helped to keep data organized from the onset of this project. Clearly labeled notebooks were utilized for notetaking, coding, journaling, and other thought processing. Computer files were also utilized for notetaking, coding, journaling, and other thought processing.

Data Coding

Data coding commenced after several interviews were completed. I began by carefully reading through the interview notes and transcripts to get an overall sense of the content of data (Ely, Anzul, Friedman, Garner, & McCormack-Steinmetz, 1991). It was important not to wait until all interviews were complete to begin the coding process (Huberman & Miles, 1994). "In the early days of data collection, coding can help you to develop a more specific focus or more relevant questions" (Glesne & Peshkin, 1992). In particular, I was able to formulate a couple of specific new questions for further exploration in upcoming interviews by seeing what gaps, inconsistencies, and contradictions existed in the early data.

The coding process began with open coding (Strauss & Corbin, 1990). During this process the "researcher forms initial categories of information about the phenomenon being studied by segmenting information" (Creswell, 1998, p. 57). I made margin notes to label my initial categories (Ely et al., 1991).

As I continued coding each set of notes and transcripts I utilized some of the existing categories from earlier coding. I also continued to expand the list of categories as necessary to code all emerging concepts (Ely et al., 1991). I used the constant comparative method to compare existing codes with information from continuing data collection (Creswell, 1998).

Once I had made an initial pass at coding all data, I made a list of all the categories from open coding. At this point I was able to collapse some of the

categories as I saw similarities between categories to which I had initially assigned different labels.

Data coding continued with axial coding (Strauss & Corbin, 1990). "In axial coding, the investigator assembles the data in new ways after open coding" (Creswell, 1998, p. 57). During the axial coding phase, I looked for connections between the initial categories I developed during the open coding process. "In axial coding our focus is on specifying a category (phenomenon) in terms of the conditions that give rise to it; the context (its specific set of properties) in which it is embedded; the action/interactional strategies by which it is handled, managed, carried out; and the consequences of those strategies" (Strauss & Corbin, 1990, p. 97).

After all data had been coded through open and axial coding, I searched for themes in the categories that emerged in data coding (Ely et al., 1991). These themes that emerged formed the basis for the findings and conclusions of this study.

Data Analysis

After data had been coded according to the processes described above, I used the research questions to guide the categorization of data. The findings were presented in themes that relate to the research questions. The themes include insights into how to improve change initiatives, analyze past change initiatives, translate learnings from the analysis into actions for improving current

and future change initiatives, and share and store key learnings in order to promote sustained improvement in change initiative practices.

Chapter 4

FINDINGS

Participant Background

Participants in the study were executives, project managers, consultants, and information managers with professional ties to Wells Fargo Home Mortgage. Of the twenty participants, six were executives, three were project managers, four were consultants, and seven were information managers.

The executives included a senior vice president from Wells Fargo Home Mortgage's Sales Systems Office that provided support to the sales and operations team members, an executive vice president from servicing (the teams that provide services to loan customers after a loan has been funded), a national sales manager (a senior vice-president level position), a senior vice president from e-business, an executive vice president from retention (the teams that develop strategies to retain existing customers), marketing and e-business, and a senior vice president for operations.

Three of the four consultants were employed by Wells Fargo Home Mortgage's home office and provided consultative support to tier one and tier two (project prioritization categories based on strategic alignment, project objectives, desired outcomes/benefits, risks of not doing the project, timing, and costs) change initiatives. The other consultant was an external consultant who conducted workshops based on learnings from change initiatives.

One of the project managers was from Wells Fargo Home Mortgage's EPMO (Enterprise Project Management Office) and provided project management for all tier one initiatives as well as offered project management training and support to Wells Fargo Home Mortgage's home office employees. Another of the project managers was from Risk Management (the teams who sets company standards for managing business-associated risks). One of the project managers was from Wells Fargo Services Corporation—the IT (information technology) branch of Wells Fargo that provided project management and other services for initiatives focusing on technology.

Two of the information managers were external contractors providing knowledge management and best practices recommendations to Wells Fargo. One of the information managers was a communications manager who had overseen Corporate Best Practices for Wells Fargo Home Mortgage before he left the company. Three of the information managers were part of Wells Fargo Services Corporation's Knowledge Management team. One of the information managers was part of Wells Fargo's human resources talent and knowledge management team.

All of the respondents volunteered to participate in this study. All of the participants were interested in how the findings could apply to and hopefully improve change initiatives at Wells Fargo Home Mortgage.

Themes

The findings reported in this chapter were based on the analysis of data generated during conversations with the participants in this study, and data from documents and field notes. The analysis of data uncovered eight main themes regarding how experience implementing change initiatives can improve the way future change initiatives are implemented.

Comprehensive Solutions and Approaches

Respondents who were employees of Wells Fargo Home Mortgage shared that a basic challenge to learning from past change initiatives and utilizing best practices based on lessons learned has been that Wells Fargo Home Mortgage, and the mortgage industry in general, experienced a fast pace of change. The industry's fast pace of change resulted in a fast pace of developing and delivering change initiatives. According to most respondents, project teams moved directly from implementing one change initiative to developing a solution for the next. Respondents emphasized that despite how quickly projects moved, there were three basic needs regarding solution development: (1) a need to have all stakeholders in a change involved in the change process from the very beginning, (2) a need to provide the project team with ample time to fully develop a solution, and (3) the need to allow the solutions to drive the implementation timelines.

Involve all business lines and key stakeholders. Many respondents believed that the beginning of a new initiative—the project kick-off meeting—should include representatives from all the home office business units potentially impacted by or to be involved in a project at some point. In addition, respondents stated that the project sponsor, project manager, and core project team should attend the project kick-off meeting as had been standard practice. One project manager stated, “If you can get involved early on and become empathetic with the problem and also help develop a kind of a high level vision toward the solution, then you have a better chance of setting that expectation.”

An executive explained the importance of having everyone involved in the development of a solution for a change initiative because of the interdependencies between various business entities. According to the executive, the solution required a:

combination of a technical understanding, a business understanding, and a financial understanding. And you see, you can't just have the IT people involved. You need the IT people involved and you need the folks that are running business involved and you need to involve the financial folks.

A project manager expressed a similar rationale for involving all relevant business units in a project, stating, “Many projects need that interaction with all those different layers to give them more cohesion.” According to another project manager, “any more business and IT are interrelated...if I'm looking at changing

my business process, I'm looking at changing my workflow process. And vice versa."

Traditionally some business units such as WFSC (Wells Fargo Services Corporation) were not invited to the table from the onset of a project because of their internal shared services fees (a system in which one department within the organization allocates revenue to another department in payment for services provided). According to a project manager, in that situation:

when we come to the table by the time that we get funding secured or that we're able to put more resources people have already defined at least what the problem is and maybe have come up with a couple of different solutions for it.

Another project manager stated, "Initiation is always really rocky in regard to our interaction between mortgage and IT." That, unfortunately according to respondents, sometimes created problems because of all of the interdependencies between various business units.

One approach to ensure that all relevant business lines are included in the project discussion from the beginning was to invite to the kick-off meeting representatives from business lines that may not initially have appeared to be impacted by the problem or solution. According to one consultant, Wells Fargo Home Mortgage had many "interdependencies, like between the different lines like MoRe (Mortgage Resources) and SDC (Sales Delivery Connection)."

When all business units were not invited to the table at the beginning, key players were sometimes left out of the change process. An implementation consultant stated, "It seems that MoRe has been overlooked a lot." To minimize the potential for overlooking an impacted business line, this consultant said, "even if you just think you know for sure that there is no impact, you should check with all the business lines and just make sure that there is not going to be impact to their business."

Each business unit, after hearing the problem and potential concepts for solutions, should have determined—with input from the project sponsor and project manager—at what point their teams should engage with the project moving forward. When possible, according to respondents, representatives from all business lines should have continued to be involved in the entire process of developing a solution in order to help determine impacts, as well as to define the most appropriate solution.

Having all of the business lines at the table from the beginning of a project was not a simple solution. A consultant believed that Wells Fargo was "too siloed in our view of the world." In order for project teams to really understand the interdependencies of a change initiative, Wells Fargo must "break down those barriers" according to the consultant.

Having all business units from within Wells Fargo Home Mortgage involved from the beginning of a change initiative was only one component necessary to involve all key stakeholders in the development of a solution. Many respondents also highlighted the role of external contractors in the change

process. Wells Fargo Home Mortgage used external contractors for many roles in the change process, including project management, consulting, and design.

When external contractors were involved in a project, respondents recommended that they underwent an on-boarding process (providing a new team member with background information about the corporation and their specific job responsibilities) during which they would gain up-front understanding of the current state and desired state of the organization. Contractors should not have been expected to pick up this information along the way. Instead, with appropriate on boarding, contractors would have had the opportunity to make more valuable contributions from the start of a project. According to a consultant, "external consultants need more up-front understanding of the current state and the desired state." He believed that the external contractor must be able to identify current problems before trying to assist with the development of a solution. A project manager stated, "it's good for on-boarding; it's good for new employees that are coming on that are not familiar with the process."

Sponsorship for the initiative and sponsors being involved was also critical according to respondents, especially executives. One executive believed that project sponsors who "invoke a leadership style that knows cross-functional and forgets titles usually brings about the best thinking." An executive believed that it was critical for leadership to "engage others" in the change process. Another executive stated that it was critical for the "change leader, the person who is initiating the change, ...to have a very good idea, very clear idea, well-articulated idea of what it is you're going to do. Setting the vision of exactly what you're

trying to accomplish.” According to a consultant, leadership or sponsorship also needed to be involved at another level. The project team must “share planning with key stakeholders.”

Another executive cautioned, however, that simply bringing a project team together and giving them time to work would not necessarily result in a good solution. She explained, “You don’t just put everyone in a room and say ‘Okay, we’re going to think good today. You’ve got to have really good tools to keep it structured and capture that information that almost purposely leads the team.”

Provide time to solution. Many of the challenges to implementing a successful change initiative, according to respondents, stemmed from an incomplete solution or implementation approach. Respondents believed that complete, comprehensive solution development was a prerequisite to project planning and execution. For example, according to the Wells Fargo Home Mortgage Regeneration program of project management, to build a house, the house must be designed and a blue print drawn before purchasing lumber and digging the foundation. In the same way, the organization must begin to recognize the benefits of devoting adequate time to the development of a solution.

According to respondents, however, Wells Fargo Home Mortgage spent approximately 10% of a project lifecycle coming up with a solution, and 90% on implementation-related activities. One executive stated, “ In this organization we are halfway through a solution and we drop back and punt.” Devoting more time

in the project lifecycle to the solution development phase would result in a better solution, improved implementation, and sustained change.

A consultant believed that the most critical element of a successful change initiative was a complete solution. Such a solution, according to the consultant, must be clear on what will be delivered to the audience, and “what we are expecting them [the audience] to do with what we are delivering.” Another consultant explained that the project plan should be “used as a blueprint and keep going back to it. When we don’t do this, we feel out of control like a plastic bag blowing in the wind.”

A project manager expressed a common concern among respondents that the business did not understand the need for robust opportunities to develop solutions. She stated, “I think that the main struggle that we have is that people want it right away and they don’t understand the whole process of implementing and developing and solutioning.”

Many respondents referenced Regenesiis, a Wells Fargo Home Mortgage project completed several years prior to this study that created project management and change initiative recommendations. Though Regenesiis as an overall approach to project management had fallen out of practice at Wells Fargo, many respondents saw value in resurrecting some of the concepts. One recommendation was to attend to each of the solution development components identified by Regenesiis before leaving the pre-implementation phase of a change initiative. These components were: identification of the solution, justification of the particular solution, scope of the project, financials, success measures,

workflow impacts, additional impacts of the change, risks, values, and validation. According to respondents, many of these components were not addressed in current solutions because a project team was not allowed adequate time to complete the development of a solution.

Respondents believed that the Wells Fargo Home Mortgage culture must shift to provide project teams with robust opportunities to develop a solution. An executive recommended dedicating the best human resources to an important change initiative and providing them uninterrupted time to develop a solution. He suggested, "You bring them out of their environment for one week." In his opinion, without the top people and dedicated time to solution, Wells Fargo Home Mortgage got "mediocre solutions that take two months versus really good solutions that take one week." A project manager also believed that uninterrupted, face-to-face time for the project team to develop a solution was valuable. He stated, "that interaction up front and those team meetings up front personalize the whole project to people and you're able to deliver a message." Another project manager believed that the time a project team was allowed to spend developing a solid, complete solution would "pay off in the end. It's an investment we should be making."

According to one executive, "today we spend 10% of our time coming up with the solutions and 90% of our time trying to implement it." He believed that, if instead, Wells Fargo Home Mortgage would "spend more like 60% of our time coming up with the solution, the implementation will be a lot quicker and a lot easier and it will be a better solution."

According to a consultant, it was the responsibility of the project team to “ask the right questions to make sure that the solution is final.” This consultant also emphasized that the project team needed to question decisions driven by the business and consider the end user. Often, according to the participant, the business pushed for a quick implementation that limited the time a project team was able to develop a solution. In addition, when faced with putting together a solution quickly, this respondent believed that the impact to the end user of a particular change initiative, whether that was a mortgage customer, or an operations processor, was not fully considered.

Even when the project team believed they had a complete solution, a consultant recommended the team itself validate its solution before taking action to implement the solution. She stated, “You know, let’s go back and make sure we have met all of our objectives. How do we know we have done this successfully? What do we need to do?” That type of validation by the project team itself should have been done before validating the solution with other groups such as those front-line team members who would be impacted most by a particular change.

Another element of developing a complete solution, according to one consultant, was allowing the project team to remain intact while developing a solution. She explained the difficulty it creates for a project team when a key team member was pulled off a project to work on another project. She stated, “Projects go on for awhile and then you have a different person in that role and you can’t really share because it’s inconsistent.” In this consultant’s opinion,

completing the development of a solution also meant having a complete project team with team members who remained on the project throughout the pre-implementation process.

Allowing the solution to drive the timeline. Those at the home office who were developing and implementing change initiatives reported that there was pressure to implement a change before a solution was fully developed because of artificial deadlines for implementation. In such cases, respondents believed that the solution should have been allowed to drive the timeline. When the solution drove timelines, those impacted by the change could have been prepared for the implications of the change, implementation teams could have had adequate time to prepare for implementation, solutions could have been validated, and sufficient training could have been conducted to ensure people impacted by the change learned whatever new policies and procedures were part of the change.

Respondents noted that it was also important to identify and follow all appropriate “timeline drivers” (any requirements or aspects of the solution that should impact the time it would take to develop and implement a change). In many cases, the business was willing to change an implementation deadline based solely on how long it would take information technology (IT) resources to make system changes. Though this was a step in the right direction in determining appropriate implementation timelines, there were times when the

business could not match IT deadlines and other “timeline drivers” also should have been considered.

In cases where there was a deadline that mandated a solution have been implemented before the project team had a finalized, validated, and approved solution, respondents urged that the deadline should have been examined to determine if there was truly a business need to implement by that deadline. If there was not, then the project team should have been allowed time to finalize the solution before implementation. If there was a business need to meet a particular implementation deadline, then the risks for implementing without a finalized solution should have been weighed against the risks of missing the deadline.

When such decisions were being considered, respondents encouraged the project team to question the risk of waiting to make the change. An executive suggested the project team should have asked, “What is the risk if we change this today versus next month versus three months? What is the cost in dollars or the risk in compliance issues or legal issues to the organization?”

A national sales manager felt that implementation dates were often picked at random. He stated:

I’ve seen things cross my desk and I’ve asked the question, “Well, why are we doing this October 15th? What’s so important about that date?” And nobody has an answer. It’s always because that’s what [she] told us or because that’s the day we picked, or because it sounded like a nice clean date. I’m like, ‘Okay, how about how long will it take the people in the

organization to gravitate toward the change and get some traction and that's the date we pick?"

Another problem participants mentioned with implementation timelines was implementing a change behind the scenes according to an artificially created deadline, and then notifying those impacted by the change after the implementation. An executive explained a repetitive problem at Wells Fargo Home Mortgage of implementing a solution without notifying team members in the field offices. He stated, "We actually have a terrible habit sometimes of actually implementing a change after the date it is effective. We actually announce that it is effective October 1 and today's the 10th [of October]."

When changes were implemented behind the scenes without notifying those in the field who would have been impacted until after the change is effective, respondents mentioned the backlash that occurs. Those impacted resisted the change and cited the lack of advance notice as reason for not making the change. In response, management at the home office would sometimes change the effective date, trying to appease those who were upset. The results of this type of action were not positive according to an executive. He stated that when Wells Fargo changed "the date from the 15th to the 30th ... it looks to the field like we don't know what the hell we are doing."

Disciplined Process

Respondents identified two main aspects of applying a disciplined process to all change initiatives that could have improved the success of those initiatives. First, respondents encouraged Wells Fargo to have had the discipline to identify and to have used a consistent, standard process for change initiatives across the enterprise. Second, respondents would have liked to have seen Wells Fargo have the discipline to emphasize the criticality of post-implementation follow up to the success of a change initiative.

Consistent approach to change initiatives. According to many respondents, change initiatives at Wells Fargo Home Mortgage would have been more successful if consistencies in the change process across the organization were created and followed. If a change initiative was critical enough to implement, respondents said, then it was critical enough to follow best practices for pre-implementation, implementation, and post-implementation.

One business line within Wells Fargo—Wells Fargo Services Corporation (WFSC)—utilized, to an extent, a fairly standard process to change initiatives. Wells Fargo Services Corporation followed a shared services model and billed the other Wells Fargo entities for its services. As a result, according to project managers and executives, WFSC followed a more disciplined process than other Wells Fargo business lines. According to a project manager, the project process in WFSC was “quite a bit more regimented, bureaucratic, but at the same time professional.”

Such a regimented process had both positive and negative aspects according to respondents. One project manager stated that a positive aspect of the formal process was that it “forces people to be more disciplined.” In addition, a regimented process was beneficial in that it helped “set those directions and to help standardize project processes across the enterprise,” according to a project manager. Some respondents noted, however, that there can be drawbacks to a regimented process. A project manager explained, “There’s a lot of bureaucracy that people pay for. There’s redundancy that people pay for.” One particular problem with the disciplined approach WFSC took to change initiatives, according to a project manager, was that “the tool becomes the project in and of itself.” He cited the complexities and nuances of the process as the reasons it could have taken on a life of its own. The charge-back model (a process for charging another department within Wells Fargo for services provided) meant, according to a project manager, that WFSC had to “be accountable and disciplined for how we interact with our various business partners.”

Perhaps an even more critical issue, according to the project manager, was that the process was “not cohesive among all the various departments.” According to the respondent, when each department had their own standards and process to follow, project-specific issues were ignored in favor of following department protocol. The project manager stated:

They solely focus on ‘here’s our milestones’. Now each project you have to meet our milestones, rather than dealing with each project’s specifics....They could care less about that individual project. They’ve

developed their own milestones, their bureaucratic processes for dealing with their involvement on the project. However, the project manager is responsible for knowing each and every one of those different processes and being able to follow it. So, where we lack in discipline is that we haven't looked across the enterprise.

The project manager recommended that Wells Fargo look across the organization and "come up with one cohesive discipline, rather than having thirty disciplines across the company." He believed that such an approach could have elicited the benefits of a disciplined process for change initiatives.

Many respondents mentioned quite specific elements that they would have liked to have seen incorporated into a consistent process for approaching change initiatives. One particular element was that vacations and holidays should have been taken into account when establishing a project plan and the timelines within that project plan. Respondents, particularly consultants and project managers, said that consistently incorporating the project team members' time off into project plan was critical in determining the true time that should have been allotted to conduct the preparatory work for a change initiative. Incorporating holidays into a project timeline was also critical, according to respondents, for establishing the optimum time to communicate a change to team members in the field offices and to ask those team members to make a change.

Many respondents indicated that another key element of a consistent process for change initiatives would have included additional time built into a project timeline between pilots and national implementation. One executive stated, "Let's do a pilot and actually sit back, look at the results. See if we actually want to roll it out the same way. Is it even worth rolling out? And making whatever changes are necessary before doing a full rollout."

Pilots, as the respondents recommended they be utilized, presented an opportunity to make adjustments to the solution and implementation approach. This could only have been accomplished when enough time was built into the timeline between pilot and national implementation to assess results and make adjustments. According to one senior vice president, "typically there's a time constraint and everyone wants it now and sometimes that's the driving force...but often times it's valuable to get those pilot results first."

Consultants recommended that pilots be structured and conducted in as real-life a situation as possible. One consultant recommended, "If it's production that we are going to impact, we need to do a mini-pilot in real life production."

Post-implementation follow up. According to almost all respondents, one aspect of consistency in process for change initiatives was that a project plan should include all post-implementation follow-up steps. Follow-up was also identified most frequently as an opportunity for improvement in the way change initiatives were handled. According to an executive, follow up was "where it breaks down." An executive talked about the lack of follow-up for a new

operations initiative. He stated, "In all likelihood, 90% of folks have done no follow-up." According to a project manager, "Post-implementation is a weakness. We try to plan one to two weeks out, but that isn't enough time and it's not structured enough." A senior vice president talked about business as usual in the organization. He stated, "You know, we're right on to the next thing. We get it in place and we take for granted that it's being executed and understood." Without follow-up, respondents said that an initiative became a one-time event. Not following up after implementation set up an initiative to fail. According to an executive:

Not everybody does it exactly the right time, exactly the way you want it, with exactly the same sort of energy, you know, so I think that's where we probably have most our opportunity. And I think it's just a key part of managing change in an organization. I think there's almost more work that needs to be done afterward.

General practice at Wells Fargo Home Mortgage, according to respondents, was to move a project team to a new project as soon as a change was implemented. Changes, however, do not become institutionalized without follow-up. This necessitated building post-implementation support into a project plan to make sure changes stick. In order to do that, respondents said that Wells Fargo Home Mortgage leadership must recognize and emphasize the importance of follow-up, and be willing to dedicate resources to the post-implementation work.

Participants' responses indicated five components to post-implementation follow up: (1) Include details of the post-implementation follow up in the project plan; (2) Dedicate project team resources to carry out all aspects of the post-implementation; (3) Define and implement reliable, valid measurements to check for the success of a change initiative; (4) Define and utilize accountabilities for those who must make the change; and (5) Create and maintain the infrastructure to make the change part of the normal way of doing business at Wells Fargo Home Mortgage.

To ensure proper resources are devoted to follow-up, respondents suggested that a detailed post-implementation plan should be built into the overall project plan. Specific resources should have been assigned to each of the post-implementation tasks. A consultant, for example, recommended having someone from the project team available after completion of the project to address any long-term issues and questions. She stated that someone must be "available to be a source of information after the project." One executive suggested establishing a regular conference call schedule to check progress at "two weeks, 30 days, 60 days, 90 days after the change."

Measurement was another aspect of post-implementation follow up. A change initiative should not be considered complete until measures have been taken that show the change has been sustained. An executive recommended that measurements be part of the post-implementation process. She stated:

It's typically, "Oh, we'll implement this change" and then, "Oh yeah, we'll need to measure it; we'll seek out the tracking later." And then later comes

pretty soon and by that time people are too often onto the next initiative.

So in terms of trying to improve organizational learning if you don't have any of the tracking or measurements at the end of any given initiative, how do you really know how well you've done?

A consultant discussed the necessity to use measurement data and results to determine next actions. She stated that the project team must, "capture measures and then if it's not sticking go back out there and try to improve or maintain the momentum."

Another consultant believed that the project team needed to determine why the post-implementation results were what they were in order to make the proper adjustments. Measurements alone do not necessarily indicate what needed to be changed or what retraining needed to be conducted. An analysis of the measurements could have helped the project team to determine the appropriate additional follow-up actions to have taken.

Another respondent recommended that project managers should have been involved in defining success measures. Measures were so critical to determining the success of an initiative that, according to a consultant, the project team should have asked:

Okay, in order for this to be successful, what are the components we need to measure and then how are we going to capture those measures? And even if it means creating a new report, really doing that. Especially since

we spent so much money on projects and certain people are wondering what they got for it.

Measurement and reporting may have to be a manual process in some cases, according to one consultant. For one project she was involved with, the implementation teams were “really working with managers, like on a one-on-one basis; really checking to see, making sure their agents are picking up those leads. And we really didn’t have any automation around us, so it all had to be manual.”

Timing for measurements was critical according to respondents. According to a consultant, “We always underestimate the time...it takes the field a little longer to catch on than what we give them time for.” Measurements, according to one executive, must be timed to ensure that it was an accurate measure of how well the change has been sustained. If measurements were taken too soon after implementation and training, measurements may have reflected the immediate impact of the training event instead of having measured whether people were able to sustain the change. In other cases, measurements taken too soon after implementation may not have given people a chance to practice the new policies and procedures to have them become part of a seamless way of doing business. Results taken too soon may also have shown a lack of initial success that would actually have improved over time and with practice using the new policies and procedures.

Part of the post-implementation work identified by respondents included detailing project plans that included building the infrastructure to make a change permanent. Solutions should have included, when possible, making the necessary system and process changes that ingrain the change in the way business is conducted at Wells Fargo Home Mortgage.

A senior vice president talked about Wells Fargo's strengths and its opportunities for improvement. She stated, "We have gotten really good at pulling the trigger, you know, getting there, flipping the switch...going from identifying the need or the issue or the opportunity to getting to the release." A significant challenge she identified for the organization was to "keep it going." She explained further, "It takes six weeks or six months to actually form a habit and we don't stick with anything that long. We're so on to the next one." She provided an ongoing change initiative at Wells Fargo Home Mortgage as an example. "There's twelve months of work there at a minimum that we can see. That almost needs to be some permanent infrastructure." Instead of stopping at the point of implementation, the change initiative needed to include the structure, systems, and support, according to respondents, to make the change part of the way business was done at Wells Fargo Home Mortgage. Several respondents talked about the criticality of building changes into the technology systems that supported the entire business. One senior vice president explained, "We have a process we defined, but people could follow it or not follow it. But from a system perspective, you've got written code." When code was written into systems that

team members used to process loans, for example, the change imbedded in that code ensured the change became part of the way of doing business.

Another element of post-implementation follow up that respondents identified was clear, assigned accountability for sustaining the change. An executive, for example, believed that to be successful a follow-up plan should have included “very specific accountability.” He suggested that annual performance goals could have been linked to accountability for maintaining a change. A consultant suggested holding people accountable by including initiative-related accountabilities in MPPs (formal annual reviews). Otherwise, she said, people have good intentions but don’t follow through.

One key to make accountabilities effective in sustaining a change, according to an executive, was putting the accountabilities on paper. The executive stated:

Some are very specific and quantitative in nature and some are not, but to the extent that we put them on a piece of paper and hold people accountable to them we tend to get a lot more traction on them, a lot more focus on them.

Participants offered many options for building and strengthening follow-up plans and accountabilities for making a change stick. For instance, one executive suggested that evaluations or quizzes might have been utilized to help ensure a change became part of the organization’s culture. He suggested, “what if you had a pop quiz ...a pop evaluation... It’s been sixty days since we did this, can you

answer these questions or can you demonstrate this and then there was some type of reward mechanism attached.” Other suggestions included requiring weekly status reports to track progress on sustaining a particular change and weekly conference calls to report progress and status. Measuring the success rate associated with a particular change was another tool recommended to help sustain a change.

An executive provided an example of how diligent follow up for a specific change initiative helped to sustain the change. He stated, “Because there is now a ton of follow-up work; we are measuring that everyday, every week in each of our individual operations centers. It is now part of every single management call with our operations managers.” Because of the intensive, extensive follow-up on a very quickly implemented, manually executed change, the company was seeing some of its highest effectiveness rates. An executive stated that an initiative had been effective because “there has been constant re-enforcement of this because we are measuring it and manually following up.”

Respondents cautioned, however, that when people were not held accountable for sustaining a change, chances that the change would stick after implementation drop. Energy and attention should not only have been focused on the implementation itself. Energy must have been devoted to follow up including accountabilities for living the change. Executives stressed that post-implementation follow up must be long-term. One executive stated:

There’s a honeymoon period, and you come back [from training] and you’re rah-rah this and implement all these things, and then you get back

to the real world and you just don't and no one is pushing you to do that or holding you accountable to that or following up with you or even asking you the question, 'Are you doing this?'

The Wells Fargo Home Mortgage culture, according to respondents, had not allowed time for the post-implementation follow-up and accountabilities that these respondents insisted was critical to an effective change initiative. An executive explained that culture by saying:

I'm actually happy that we're able to get a lot of things implemented. We used to have the culture that we get 80% or 90% down the road and then we'd stop. Or implemented 90% of the right thing to do and then we just don't finish it up. But, um, so I guess the biggest idea was if you can make it, make it part of the project plan, say it doesn't end the day you execute.

Another portion of the process that many respondents stressed as critical, but often ignored, was dedicating project team human resources to post-implementation follow-up. According to a senior vice president that meant having said to some of the project team resources, "Okay, you're on the project team, well, guess what? You're still on it. You still have project team responsibilities." One executive recommended that the process should have been that the project team itself still had accountabilities post-implementation, and "if you don't do this, that's a performance issue."

Post-implementation support should also, according to respondents, have included resources to provide information about the change after the project

team had been disbanded. Questions often arose after a change had been implemented. A long-term owner should have been identified as a resource for on-going questions.

Validation

Respondents noted that for a successful change initiative validation should have occurred at several points along the path of development, implementation, and follow up. Responses from participants identified six areas for validation in the change initiative process: (1) Validation of the current situation; (2) Validation of impact to the customer; (3) Validation of the proposed solution; (4) Validation with impacted front line team members; (5) Validation during implementation; and (6) Validation during post-implementation.

The current situation. One executive suggested that the most important step in preparing for a change initiative was to validate the true current situation before defining a solution based on assumptions. He stated, "In many cases we are looking at initiating a change based on how we assume things are being done today and sometimes that assumption is either old or off base." He explained that when assumptions are off base or old, they could have led the project team to a solution that did not address the problems created by the true current situation.

A project manager said that the nature of the mortgage industry necessitated validating the current situation. He stated, "What is so fun and

exciting and wonderful about [the mortgage industry] is the dynamics of it; it changes constantly.”

Respondents suggested that the project team validate the current situation with people in the field offices. An executive recommended identifying those levels in the organization that would have been most impacted by the change initiative and then “go down and actually speak to people whether it’s one-on-one or in focus groups.” Conversations with team members at the levels most impacted by the change should have enabled the project team to identify if team members in the field offices were doing things different than the process defined by management at the mortgage home office, whether each division was handling a process in a different manner, and provided insights as to how the team members in the fields offices would have reacted to a particular solution.

Respondents believed that before a solution was finalized, the project team should have conducted a root cause analysis, impact analysis, and outcome analysis to make sure the solution was the most appropriate one to address the issue or problem. A root cause analysis would have helped to determine the true current situation and the underlying causes of the situation. According to one executive, a root cause analysis would have helped to:

determine what this change is supposed to be doing for us. How is this change going to help us save money or become more efficient or meet some sort of guidelines or overcome a legal issue, and is this change really solving the root cause issue or is this change hitting the surface based on what we think?

Respondents stated that it was critical to consider the systemic explanation for why something was wrong, rather than looking at each problem as if it were an isolated event. According to a consultant, too often, solutions were like a band-aid that covered a surface-level problem, rather than correcting the underlying problem that was causing the surface issue. The consultant believed that without a root cause analysis, the organization was “applying band aids when what we really need is a monumental change that is part of the overall vision and strategy.”

Participants believed that a root cause analysis should have involved field line people. The sales and operations field line team members could have offered insights into a root cause analysis that a project team from the home office may not have been able to recognize. Rather than waiting until a validation meeting to talk with team members from the field offices, respondents recommended bringing field representatives into the root cause analysis and solution development processes.

An executive provided an example of an initiative she felt was successful because the project team “took a totally different philosophy” and involved “the very front line” in the “actual design and implementation.” More typical, she explained, was for a steering committee to handle the design with top project managers, then the change was “kind of communicated and released to the organization.”

Several respondents offered a simple technique for uncovering the root cause of a problem: asking the “Five Whys.” An executive provided an example of how the “Five Whys” exercise works:

We have to change because managers aren't doing X. Well, before you put that change in place you need to say, "Okay, why aren't managers doing X?" Well, they're not doing X because they really don't understand how to do it. "Well, why don't they understand how to do it?" Well, they don't understand how to do it because we don't train them. "Well, why haven't we trained them?" Well, we didn't train them because we really didn't have the time or the money. "Well, why don't we have the time or the money?" Well, because...by the time we got to the fifth “why” you pretty much have your root cause and that's what the change needs to solve for.

When a solution was built to address the true root cause, respondents suggested that the solution may not only have fixed the problem, but may also have addressed other issues that were related to the same root cause.

Another executive noted that a project team needed to understand the issues related to a change initiative before defining a solution. The executive suggested that the project team needed to ask many questions in preparation for developing a solution, such as, “What are the issues with team members? What are the issues with our customers? What are the issues with our vendors?”

Impact to customers. Several respondents discussed how critical it was to consider how customers would be impacted by a particular solution. An executive explained that in the concern for how an initiative will impact sales, operations, and other units internal to Wells Fargo Home Mortgage, the impact to the customer was often overlooked. She stated:

We can lose sight of, "Okay, what does that look like when you're outside coming into this organization?" You're the customer that's calling. You're the customer that's walking into a branch to get a loan. You've got a problem, you're an existing customer, and you've got a problem on your loan, so have we really thought through every way we get from A to Z? Have we kept the person who's really paying us in mind?

The executive's experience told her that often the organization considered only how sales, operations, servicing, or marketing's roles and responsibilities would have been impacted by a change. Instead, the executive believed that project teams needed to focus on how the customer's experience with Wells Fargo Home Mortgage would have been impacted by a change. "If I change these forms, am I serving them faster? Or did I just get this data element to enter into the system now?" she asked. A consultant also believed that impacts to the end user, generally the customer, needed to be considered. She said, "Sometimes I think we don't think about the end user enough."

Impact Analysis. Many participants, particularly the consultants, stressed that the project team should not have assumed that training was the solution. Training could only solve a problem in situations in which people did not know how to do something or had forgotten how to do something they once knew. If people knew how to do something and still were not doing it, the solution needed to address the reasons why they were not doing what the business process at Wells Fargo Home Mortgage had outlined.

When the project team was validating the solution, respondents also indicated that the team should have made sure that the solution addressed all of the objectives of a particular change initiative. In some cases, solutions only addressed a portion of the objectives, only solved part of the underlying problem, or may have only addressed a surface issue rather than the root causes identified during a root cause analysis.

Validating the solution, according to respondents, should have involved conducting an impact analysis before beginning any implementation activities. An impact analysis would have identified who would have been affected by the change and how, and would have provided a process for assessing the overall value of a change. Part of defining a complete solution and identifying the best solution should have been understanding the impacts of a change to the organization, to the organization's culture, to those who must make the change, to the overall process and systems used in the organization, and to the customer. The impact analysis should have addressed how the change would have played out in the daily roles and responsibilities of those impacted by the change. This

would have enabled the project team to paint a picture of the future so issues and problem areas could have been identified and re-solutioned. Without analyzing these impacts, it would have been difficult to determine if a solution was the best solution.

An executive provided an example of a change initiative that did not involve an impact analysis before implementation. The change involved Wells Fargo Home Mortgage and Wells Fargo Home Equity. The two business lines had very different processes, were headquartered in different states, and typically did not work on initiatives together. The executive explained a fundamental problem that occurred:

So this camp got together and this camp got together. And it's almost like, you're in New York and you're in California; let's meet in Iowa. New York never went to California and California never went to New York. We put all that process together in Iowa.

She continued by explaining that it was only after the implementation started and there were problems because "we never lived in each other's world" that the project team from Home Mortgage traveled to the Equity home office to see how their process worked in order to understand the implications of the change initiative for Equity. The ultimate lesson, according to the executive, was "really thinking it through and living in the shoes of whoever it is you're doing this with or to or for."

A consultant provided an example of a recent Wells Fargo Home Mortgage technology change initiative that involved providing upgraded laptop

computers to home mortgage consultants and sales managers. The laptops had upgraded software that, though it ran the same programs as the old laptops and older software, initially looked different to the users. When talking with field representatives, the consultant realized that the initiative would have been perceived by many home mortgage consultants and sales managers as a huge change and the implementation approach needed to address the impact of the change to the laptop users.

A pilot, according to many respondents, should have been a key method for validating a solution. An executive believed that it was important to really pay attention to the data gathered during a pilot to determine if changes should have been made prior to a full implementation.

Front-line team member validation meeting. Many respondents indicated that change initiatives would have been improved if validation meetings were conducted with representatives from the field—those most impacted by a particular change—before implementing a solution. A project manager said that too often “we don’t talk to people who are really doing the work.”

A validation meeting should have been conducted with a representative sample of those people who would have been impacted by the change initiative. The proposed validation team should have been assessed for both vertical and horizontal representation. For example, the project team should have asked: Are all markets adequately represented? Are all levels—national managers down to

administrative assistants—impacted by the change part of the validation committee?

A national sales manager recommended having some “simple rules around validation.” He provided an example of a change initiative that would impact home mortgage consultants. In such a case, he recommended that the project team validate with “three in the bank market, three in the non-bank market, and three in the jumbo market, and three in the non-jumbo market; you have a good cross-section.” Instead, according to a consultant, validation often occurred with a group brought together out of convenience. If the project team was based in Des Moines, then local field representatives might have been brought in to validate, rather than selecting a representative cross-sample from across all markets.

At the beginning of the validation session any non-negotiables and the reasons why those were non-negotiables should have been shared with the validation team. For example, a regulatory requirement may have mandated that Wells Fargo Home Mortgage implemented an unpopular change. In such a situation, the validation team did not have the power to recommend that the change not be made. In such a situation, the validation team may have only been asked to validate the implementation and communication approaches. The team should have been clear as to the scope of recommendations they were being asked to provide.

Clear expectations should have been set for the validation committee. Respondents said that the committee must understand that it represented

everyone impacted by the change. The committee, therefore, was responsible and accountable for assessing the solution and implementation approach. If they found problems, they should have made recommendations for how to address those problems.

The validation meeting needed to be conducted enough prior to implementation to make changes to the solution and implementation approach if necessary. Invitations for validation meetings should have been sent out far enough in advance to give field representatives sufficient notice.

Respondents noted that validation meetings should have been face-to-face when possible. An executive stated that she believed that the work conducted during a validation meeting was too important to risk the multi-tasking that occurred during many conference calls. In addition, during face-to-face meetings, non-verbal cues could add to the value of feedback the project team gathers. During a face-to-face meeting, the facilitator may have had an easier time encouraging all participants to actively participate in the discussion.

Feedback should have been captured during a validation meeting, and the feedback should have been utilized. If front-line team members perceived that they were not being heard or that their recommendations were not being seriously considered, an executive explained, it could have undermined the success of a change initiative.

During a validation meeting the project team should have asked any questions that might have helped to finalize the solution, according to a consultant. She said, "We have to always think about the end user and just ask

those questions because most likely if we're going to have that question, then so is the end user." Addressing questions before implementation would have made for a more successful initiative. If significant revisions were made to the solution or implementation approach after a validation meeting was conducted, a follow-up validation meeting should have been conducted to review the changes.

During implementation. Another type of validation should have occurred during implementation, according to respondents. Feedback should have been solicited and welcomed from front-line team members during the implementation of a change. Though it was best to avoid changing an implementation mid-stream, respondents believed that risk needed to be balanced with the value of making adjustments that would have truly improved an initiative based on feedback from team members from the field offices. The project sponsors and project team should have weighed whether those team members in the field were requesting a modification because they saw a better way of approaching the change, or because they did not want to make the change. According to one executive, one of the keys to a successful change initiative was "continuous...unfiltered feedback from the front line."

During post-implementation. Validation, or feedback, from front-line team members should also have been welcomed after the implementation of a change. Recommendations from respondents for soliciting that feedback included setting up a project website for people in the field to provide suggestions

and input to the project team. An executive suggested setting up a project email address to collect feedback. Expectations would need to have been set with front-line team members that emails would not be responded to directly, according to a national sales manager, but that the project team would take feedback into account and may have made revisions to the initiative based on the input. He also believed that expectations would need to have been set with the project team members who monitored the emails that some people would use the email as an opportunity to gripe, while others would have used it to provide constructive feedback that could have helped to improve the initiative.

An opportunity for providing feedback directly from the front-line team members to senior leaders could also have had a positive impact on the success of change initiatives according to executives. One executive shared an approach she had successfully used at another company to gather front line feedback. She arranged to have monthly meetings set up to discuss particular initiatives. Criteria were utilized to select front line people who were known to be leaders, who would be vocal, and who would be constructive in their feedback. These front line people participated in monthly face-to-face or phone conference meetings with a senior level executive to share feedback about specific change initiatives. The executives needed to be receptive to both positive and negative feedback for such an approach to work. There were also reassurances in place that feedback would remain confidential and individuals would not be identified as having provided specific feedback.

Urgency for Change

Responses from executives indicated that in order for a change initiative to have been successful, the urgency for change must have been established and communicated. To establish and communicate the urgency for change, executives noted the need, first, for the project team and project sponsors to understand why the change was necessary. The project team must then have identified the audience who would have been most impacted by the change and to have defined the message explaining the change to that audience. The message of change must have included the business and personal reasons for the change, positive consequences for making the change, and negative consequences for not making the change. One executive cited the basic elements of change theory as the basis for establishing and communicating the urgency for change. She explained that change theory has established that there is pain involved in making any type of change even if it would ultimately have positive impacts on those who must change.

The project team and project sponsor audience. Before the project team could have communicated the urgency for change with those impacted by the change, a respondent suggested that it was critical for both the project team and those who had to execute and live with the change to understand the reasons for the change. He stated, "The really big thing is getting buy-in, first of all from the people who are working to redesign and to redesign the change." Another executive believed that the project team and sponsors must have had, "a clear

vision of where you're going and most importantly why you are going there." Yet another respondent stated that, "It all comes down to ... not skipping that step of really having enough information about why it is we are doing it."

According to respondents, the understanding of the final outcome was critical for two reasons. First, it was an integral component of the process of developing a solution. Without a clear vision of the final objectives and outcome, the project team could not develop an appropriate solution. And second, without this understanding by the project team and project sponsors, they would not have been able to communicate this critical message to those directly impacted by the change.

Having the project team go through the exercise of determining the urgency for change, according to another respondent, could have helped to determine whether a change should actually even have been implemented. She explained, "If that groundwork hasn't been done on the front end, even if it gets through some initial hurdle of approval, it'll die a slow, painful death through the month or the years that follow."

The audience impacted by the change. Once the project team itself clearly understand the urgency for change, then it can begin to formulate the change message that will be communicated to those who are most impacted by the change. Whenever possible, respondents stated that the message must be taken down to the level of people who would have been most impacted by the change.

An executive stated that the urgency for change, "obviously has to be realized by all the people who are impacted."

Another executive mentioned that after the project team clearly understood the reasons for the change, it was critical to communicate the urgency for change with those who must actually have made the change. He stated, "But clearly after that to get buy-in from the people who actually have to execute the change. And live with the change."

The message. Respondents identified several components of the change message for those impacted by the change. The first component was the urgency for making the change. Establishing the urgency for change was critical according to a national sales manager. He stated, "If your audience doesn't think they need this change, it doesn't make a difference how great it is or how wonderful it is. They don't think they need it, so they don't care. They don't listen." Another executive explained, "You've got to create that burning platform so they will say, 'Oh boy, I better listen to this otherwise something bad is going to happen or something really good won't happen.'" Explaining the urgency for change was especially critical when people felt change was being forced upon them, respondents noted.

Communicate why the change was urgent for the particular audience being addressed by the communication and targeted by the change, respondents said. For example, a national sales manager noted that if home mortgage consultants were the group most impacted by a change, the message needed to

explain the urgency for home mortgage consultants to change. The message should have included the positive reasons why they should have wanted to make the change and the negative implications for not making a change. Respondents cautioned that the message should not have been limited to stating only that the change is good for Wells Fargo Home Mortgage.

The business and personal cases for change. The next component of the change message, making the business case for the change, was usually coupled with the third component—personal benefits, according to respondents. By communicating both the business reasons and the more personal reasons for making a change, those who would have been impacted by the change could have begun to understand why, on a personal level, they may have wanted to make the change.

According to respondents, even when a change was driven by business need, there were generally personal benefits that were associated with making a change. And, executives noted, often a change was instituted to make a job or process less frustrating or less difficult for the person who was doing the job or performing the process.

But often, respondents noted, a change initiative was really designed both to make things better for team members and better for the organization. An executive noted, "it's to make the job less frustrating, less difficult for the person who is doing it." The project team needed to communicate that positive aspect of the urgency for change. An executive said, "I think it's incredibly helpful if they

not only understand why it's happening, but what; but not just what value it brings to the organization. But really in some ways how does this add value to the work that they're doing."

This portion of the message regarding the business and personal case for change should have told a story, respondents said, of the reasons for the change, the current reality, what was changing, what would be different, and what the future reality should have been. Providing this type of information would have helped those impacted understand the change and what their role in the change process needed to be in order for the initiative to be successful.

Consequences. Another element of the change message was the consequences and implications, both of making the change, and for resisting the change. In order to have communicated this effectively, according to respondents, first the project team and sponsors needed to make sure that the positive reinforcements for making the change were greater than the reinforcements for not changing.

Respondents noted that sometimes a necessary change would have made work more difficult for some team members. If this was the case, an executive suggested, "if it's going to make their job hard, certainly you want to be up front about that, but then they have much more to appreciate the overriding corporate value." Many changes did encompass negative aspects, respondents noted. An executive explained that the message regarding the urgency for change should have included both the positive and negative aspects. She stated:

The biggest thing is having the combination of the sense of urgency around creating something that is exciting and here's why this is a good thing to do and isn't that great. It will improve our numbers or help us grow or whatever. And some degree of pain associated with not doing it.

Respondents also encouraged the project team and managers to have analyzed if there were any hidden rewards for not implementing a change. If any were identified, respondents said that work should have been undertaken to change the reward structure to make the reward for changing greater than the reward for not changing.

Executives also stated that it was necessary to admit there would have been problems as the change was instituted. It was important for the change process that the message not set expectations that everything related to the change would be perfect.

Delivering the message. Several executives thought that it was helpful for "made leaders"—team members respected and recognized as leaders because of their work-related accomplishments—throughout the organization to help deliver the urgency for change message to those who were asked to carry out the change. One executive stated that these leaders should, "Talk through the change and ... what we're trying to do and what kind of support or participation we would need from them." To deliver this message, he believed that there should have been "as much personal contact as possible." Another executive

stated, "the message of the change has to be delivered by ... 'made' leaders."

This was critical, he believed, because "people within the organization respect and trust them because of what they have done."

Communication of Approach, Solution, and the Change

Responses from participants indicated that communication throughout the entire cycle of a change initiative contributed to the success of the initiative. In particular, responses indicated six aspects of communication that respondents felt contributed to the success of a change initiative: 1) communication within the project team; 2) communication delivered by "made leaders" in the area of the organization most impacted by the change; 3) delivering communications at the most appropriate times to maximize effectiveness; 4) creating the appropriate messages to maximize effectiveness; 5) utilizing delivery methods that fit the audience and the message; and 6) providing management with the appropriate support and training so that they could most effectively cascade communications to team members.

Within the project team. Respondents indicated two aspects of communication within the project team that will improve the changes of successful change initiatives. First, the project team must have had the opportunity for regular communication within the team itself. Respondents indicated that these opportunities for project team communication should have begun at the very start of work on a new initiative. For example, an executive

recommended giving the project team at least a week together to start work on developing a solution. He suggested, "You bring them out of their environment for one week." In doing this, the project team not only had uninterrupted time to develop a solution, but had an opportunity to really communicate as a team. A project manager also believed that uninterrupted, face-to-face time for the project team was valuable. He stated, "that interaction up front and those team meetings up front personalize the whole project to people and you're able to deliver a message."

A project manager discussed the importance of scheduling regular team meetings, including all of the right people, in order to provide the project team with ample opportunities to communicate. She recommended that the project team get together for meetings two to three times a week throughout the change initiative in order to keep communication lines open.

Second, opportunities for making one-on-one connections with people on the project team were critical to the success of an initiative according to respondents. Though the Wells Fargo Home Mortgage culture was quick to use conference calls to have efficient meetings with team members across the country, most respondents indicated that face-to-face, personal communications could have assisted in developing the change initiative and in the success of the change initiative.

Email was also a heavily relied on tool for communicating at Wells Fargo Home Mortgage. Again, though respondents recognized that email was an effective communication tool in many situations, they believed that sometimes it

was most effective for the project team to have had a personal conversation about a critical point or detail. A respondent believed that face-to-face communication within a project team was important. He stated:

We take teleconferencing for granted around here. And web conferencing to the point where it kind of becomes a mainstay. And we don't do a lot of face-to-face interaction. And it's so much more important to be able to put a face to that voice because now I have put a person to the voice, right. And now that person becomes a little more of a team rather than just a voice on the phone.

An executive noted the importance of having one-on-one communications within the project team. The executive stated, "to understand some things at a very detailed level you need to have that dialogue."

One project manager believed that it would be beneficial if those at executive levels would make an opportunity to meet with those on the project team one-on-one. He stated, "I don't see executives taking that step down to that individual level to really understand, empathize, and reward, recognize."

From made leaders. Identifying change leaders in the field was a critical component of the communication process according to many respondents. Several respondents referred to "made leaders" and the important role these individuals should have played in the change communication process. According to a national sales manager, made leaders were "people within the organization,

who people within the organization respect and trust because of what they have done and because of their reputation.” Other respondents who used the term “made leader” utilized the same basic definition. One executive believed that the message of change had to be delivered by a “made leader.” At Wells Fargo Home Mortgage, made leaders in sales, for instance, were those top performers and producers who were visible and had name recognition throughout the organization, according to a respondent. Having these made leaders communicate the message for change would have captured the attention of those who needed to change more effectively than if the message were delivered by someone just because they had a particular title, such as executive vice president, commented an executive. He stated, “The people will trust them [made leaders] and will follow them more easily than they will follow somebody just because they have a title.”

Most respondents commented that made leaders should be utilized to communicate the message for change. According to respondents, the project team should have selected respected made leaders at the level of greatest change and utilized them to communicate the basic change message. For example, if a change would have impacted the operations portion of the business, respondents recommended selecting team leads from top operations sites and videotaping them explaining why they were supportive of implementing a change in operations processing. A message at that level, respondents said, would be more impactful to operations specialists than having a senior level

executive from the home office on video explaining why the change would have been good for operations.

A national sales manager explained why he believed that sales team members would pay more attention to messages delivered by made leaders. He stated that team members would think, "This guy's good at what he does; I respect him; he's talented; he's been with the company eight years; geesh, I mean, you know he's bought into this then, he's into the message, then you ought to listen because this guy's great!"

Another executive believed that the same is true for team members working in the Wells Fargo Home Mortgage operations centers. He stated, "You get a team lead from each center on your team that people have heard of and those are the people to deliver the message." He continued by explaining how the message might be delivered. A team lead could have said in a recorded message, "I'm a team lead in Bloomington. It's one of the biggest MAP (Mortgage Application Processing) centers. You've seen our numbers. We're cranking them. I think we do this. We're already starting to implement." The response from other team members to a message delivered by a made leader in this situation, according to the executive, would have been, "Hey...so and so is doing this in Bloomington. Trust me, we should do this too."

From a logistical standpoint, the made leaders, according to respondents, would not have been the ones actually delivering training for a new initiative, but rather have been the spokespeople delivering the messages supporting the change initiative. According to an executive, "the 'made' leaders would be the

ones delivering the message. And that could be face-to-face in big groups, it could be on the video.”

Respondents also encouraged executives in the organization to be the driving force behind change communications. These respondents believed it was appropriate for executives to support the change initiative by being a messenger of change communications. A respondent stated, “The actual communications, the leadership of the change, too often falls to that project team versus resting squarely with whoever the line is, who sponsored it to begin with, or who wants it to happened, or who's going to benefit from it.” Respondents also suggested that the core messages be crafted by the leaders involved with the change initiative. One executive stated that having the leaders “closely involved is probably one of the most critical things.”

Optimum timing. People needed time to prepare for a major change according to most respondents. By beginning communications early, telling people that a change was coming for which they needed to prepare, impacted team members would have been provided the advance warning and time to get ready for however the change would have impacted them. One respondent suggested that a successful communication campaign includes a “structured roll out. You have to have a sort of drip campaign. People need to kind of get ready for this.” A project manager concurred. She stated that as soon as the project team had the “requirements nailed down” communications should have begun

with the front-line team members to have given them adequate time to prepare for the upcoming change.

An example one executive provided of a successful drip campaign—a communication approach in which brief communications were frequently distributed to the same audience over a relatively long period of time—was the preparations for Y2K (Year 2000). He stated:

There was this like slow drip leading up to it. People talked about it. By the time you got close to it, it was no big deal because you had heard about it for so darn long. So, with any change we need to have a little drip campaign, letting people know, "Hey, this is coming, get ready. No specifics yet, but here's what it might mean to you."

With any drip communications campaign, according to an executive, "You need to give them some time to digest it and to gravitate towards whatever your change is."

In addition to helping team members preparing for an upcoming change, respondents noted that communications should have been timed to reinforce the change and keep the momentum for a change going until the change became part of the way of doing business. An executive stated:

I don't think you can quite over-communicate as you're going through change. Changes are so hard; so hard on an organization. And I think the bigger, the more people you are affecting, the harder the change is to get in place and execute crisply, so you just got to keep communicating; certainly well in advance, as change is happening, and after it happened.

According to a consultant, a communication plan that helped sustain momentum must have included regular updates to front-line team members. Regular updates, in part, would have helped to keep the momentum for a change going. Respondents noted two components of regular update communications. One was information about the achievement of key milestones. When those who were implementing the changes and those who were driving the changes regularly heard that key milestones were being met, it should have helped to maintain positive energy for the change initiative, according to respondents. Regular updates, according to the consultant, also provided an opportunity for issues and challenges to be surfaced and addressed as they develop. This approach, according to the consultant, was preferential to waiting until problems had an opportunity to take hold and undermine the success of an initiative.

The messages. Respondents offered several recommendations about the content of the messages communicated regarding a change initiative. Several respondents noted that communication should be streamlined so that only the key message was being distributed and that the key message was something that could have been said or read in a few minutes. A consultant discussed the importance of pinpointing the appropriate message, rather than utilizing generalizations that were too broad. She stated that often project teams, "take a big roller of paint when what we need is a tiny little brush to fill the gap."

A national sales manager stated, "When I do a presentation to my people, it is black and white. It's like five pages. It's to the point. There are no pictures or color. I mean, we don't need all this crap. And actually, the field feels like, ... 'why don't you just get to the point?'" He stated, "Short and simple is the key here."

In a recent meeting for a large change initiative impacting home mortgage consultants, the executive commented about the way the message was presented. He stated, "There was a 60-page glossy color presentation." According to this executive, the reaction from home mortgage consultants and sales managers to such a format for messages is, " 'Oh my God, what in the hell are you doing?' ... Eighty percent of those presentations just get thrown in the garbage. I take those presentations home. I pull out the ten pages that have the actual information I need and the rest just goes into the garbage."

Another benefit to streamlined messages that respondents mentioned was the ease of cascading (distributing a communication to upper managers who distribute the communication to their direct reports, who share with their direct reports, and so on until front-line team members receive the message) a concise message. For most initiatives at Wells Fargo Home Mortgage, communication plans called for information to be cascaded down from executives to senior level managers to mid-level managers to line managers to team members. When a message was short, direct, and concise, it would have been easier for managers and team leads to work the streamlined message into daily meetings to reinforce the message and to assure that all team members have heard the message.

In addition to delivering precise, streamlined messages, one project manager believed that an important component of the message was language that helped to set appropriate expectations. He provided an example, stating, "If a kid thinks that they're going to get this car for Christmas and nobody corrects them of that expectation; Boom, setup for disappointment." In a similar manner, he believed that if people were led to believe that a change initiative was a silver bullet that would have solved everything, they would have been set up for disappointment. To minimize that problem he stated, "It's okay to try to deliver beyond that expectation, but it's probably just as soon setting that key expectation up front." In addition, communication should have delivered a clear message that helps people to let go of their own uninformed, perhaps idealized, beliefs about an upcoming change.

Part of setting expectations for those who must make the change, according to respondents, was utilizing communications to help create the "burning platform" —the critical reasons why change was necessary—that illustrated the need for the change. Without that clear message, respondents commented that people would not have the motivation to make a change. The burning platform message must have been taken down to the level of people who would have been most impacted by the change. An executive stated that the urgency for change, "obviously has to be realized by all the people who are impacted."

This burning platform element of the communication plan was critical, according to respondents. A national sales manager stated, "If your audience

doesn't think they need this change, it doesn't make a difference how great it is or how wonderful it is. They don't think they need it, so they don't care. They don't listen." Another executive explained, "You've got to create that burning platform so they will say, 'Oh boy, I better listen to this otherwise something bad is going to happen or something really good won't happen.'"

In addition, according to a project manager, communication strategies must have been developed from the beginning of the project lifecycle to address key stakeholders' concerns about a project. In order to do this, the project team must have considered early in the change initiative process what would have been the cultural changes, how would the existing culture of Wells Fargo Home Mortgage have impacted those who must make the change, and how would those changes have impacted the key stakeholders.

Respondents also stated that the messages should have helped maintain enthusiasm and support for a change initiative. An executive believed it was the responsibility of the project sponsors and other senior level executives to continue to stay involved with a change initiative and to continue to drive messages that would have helped maintain momentum. She stated:

It's very common for that enthusiasm to wane over the months that follow and all of the sudden that sponsor, whoever it was, either starts to be swayed by other groups or opinions or just loses interest or just thinks it's going along fine, I don't need to pay any attention to it. And all of the sudden it becomes the project team's mission to not only execute on the

project in terms of development, implementation, etc., but to become the sole and most significant champions of it.

Yet another executive respondent said that communications should have informed team members that they were getting the “right results” and “keep people excited and keep the momentum.”

Another element of the content for change initiative communications was to notify the front-line team members of results. Results, according to respondents, should have been an impetus for making further changes if the results were not meeting or exceeding targets. Therefore, if measures were not what they should have been, team members should have been made aware through appropriate communications so that they could understand what adjustments needed to be made in order to meet goals. This meant, according to respondents, project-related news should have been shared even when it was not good so the team members and others would understand any additional changes that should have been made. Likewise, positive results should have been communicated because, according to respondents, that type of news could have fueled even more excitement and energy that could have helped to sustain a change.

In addition to communicating results, another critical component of the post-implementation communication plan was following up regarding the most critical aspects of the change initiative that needed to have been sustained. Several respondents referred to this as following up about what matters. An executive stated that if people were frequently asked about the new steps they

needed to have taken to ensure the success of a change initiative, they were more likely to take those steps because they would recognize that management was interested. Likewise, he continued, if someone needed to complete a report, checklist, or certification assessment regarding a new process or change, that helped to reinforce the importance of sustaining the change. In particular, respondents indicated that senior management and executives should have followed up regarding important changes. An executive said he believed that line level team members would have quickly recognized the significance of sustaining a change if senior management had visibly followed up with line level team members about that change.

Clear, consistent feedback throughout the change process was the only way to monitor progress toward the end goal(s). Whomever was being asked to change, must have been made aware of their progress throughout and following the change initiative, until it had been determined that the change had become part of the way of doing business.

The delivery. Respondents noted that how communications are delivered was as critical as the content of the message to the eventual success of a change initiative. One delivery approach many respondents recommended was one-on-one communication. One-on-one conversations, respondents said, are a key method for catching the small stuff that had the potential to undermine a change initiative or be the key to its success. A project manager believed that it was necessary for communication to have been delivered "at an individual level

where people actually get down and meet the individuals." In particular, he believed that it was important for those at the executive levels in the corporation to talk personally with those building the changes and with those making the changes in order for an initiative to be successful. An executive also stated that it was important for executives to have been involved in communicating the messages in order for change initiatives to be successful. She stated, "I think there has to be a style of leadership that says 'I do engage others'." An executive believed that communication delivery was "not just all about sending a written notice out. It's about connecting as much as you can one-on-one with the people. You know the smaller the group, the better the connection."

Respondents noted that personal communications were particularly critical with those whose buy-in was critical to the success of the change initiative. An executive stated, "Where I have key change leaders who I need to have buy in, I don't expect them to buy in through an email or written communication. I will do everything I can to contact them directly, up front; talk through the change."

A consultant recommended that when there was a tough message to deliver about an initiative, rather than emailing or sending a memo, it was critical to pick up the phone or schedule a meeting in order to deliver the message in person. That way, she said, the project team could hear the concerns of those receiving the message, and it showed a personal side that she felt was necessary when delivering difficult messages.

Personalized delivery of messages was also important because it enabled the project team, as well as front-line team member support and management

resources, to frequently check with those making the change to determine if people really understood what they are being asked to do. Personal contacts, according to respondents, were also an effective way to ensure that the urgency for a change was communicated. If a senior manager or executive talked personally with direct reports and team members about the significance of a change initiative, the message was more powerful than general and generic messages sent from team members or management at the mortgage home office. Likewise, one-on-one follow-up regarding the criticality of sustaining a change was also a more powerful message than a generic follow-up from team members or management at the mortgage home office.

The role of managers in cascading change messages was another aspect of communication delivery respondents mentioned. An executive stated, "The one thing that's most often overlooked is the role of the direct managers in the communication process." At Wells Fargo Home Mortgage, frequently change initiative communications were expected to be cascaded down from senior management to their direct reports, and down the management hierarchy until all team members had heard the message. In this case, according to one respondent, "there are frequently requirements or requests of managerial level employees to be communicating something to their staff."

Management support and training. Respondents noted that though the cascade approach to communication delivery was good in theory, there were

challenges to actually implementing the approach fully so that all team members heard the intended message. One executive respondent stated:

A lot of companies overlook the skills that those people need in order to do that communication. So it's kind of assumed that, oh yeah, these people are managers, they know how to communicate about change.

Well, a lot of companies don't even have staff meetings to communicate anything, even non-controversial or sensitive. So to then go ask them to communicate about a closing of a branch or some significant change, when they're not equipped is often overlooked.

Management selection criteria often did not include communication skills, according to respondents. It should not have been assumed, however, that managers possessed the skills necessary to effectively communicate what was necessary during a change initiative. Recommendations from respondents for improving management communication skills included providing opportunities for communication coaching and training. Respondents also recommended that the project team provide communication support such as talking points or meeting-in-a-box materials (meeting support materials prepared in advance) to managers to assist them in the successful communication of change initiatives.

Managers should also have been provided with the change management support they needed to work through a change, executives suggested, since often managers were expected to help team members go through the change process while the managers themselves were still trying to work through the

process. One executive stated that companies often say to managers, "Okay managers, give all your employees all this tender loving care, when in fact they need the tender loving care themselves."

Another potential stumbling block for managers trying to effectively cascade change-related communications to team members was the technical components of some messages. According to executives, communication requiring technical knowledge could be particularly challenging. Managers did not always possess the technical expertise to accurately communicate the technical aspects of a change initiative. In some cases, these managers chose not to communicate the message at all for fear of doing it incorrectly or having to field a technical question they were unable to answer. According to one executive, "Someone might be all ready and willing to communicate and very effective, but are going to be terrified in doing so because they may be asked a question that they can't answer." According to that senior vice president, managers should have either been trained so that they had the necessary technical knowledge to communicate the message, or technical support personnel should have been available to answer questions and communicate the more technical aspects of a change.

Analysis of Process, Approach, and Results

Respondents noted that in addition to validation occurring during all phases of a change initiative—pre-implementation, pilot, implementation, and post-implementation—after the completion of a change initiative the organization

should have conducted an analysis of the entire change initiative process, approach, and results. Current practice, according to several participants, was designed to have included a lessons learned activity after other post-implementation activities had concluded. According to many respondents, however, a lessons learned or other similar debrief generally did not occur because the project team was quickly disbanded and reassigned to other projects that took priority over the debrief session. On other occasions, respondents indicated that when a lessons learned activity did take place, only those on the project team who conducted the lessons learned activity were made aware of the results. Other respondents noted that a lessons learned or other typical debrief session only captured the obvious surface issues with the change initiative, rather than identifying any meaningful underlying root causes of problems. It was the root cause, respondents noted, that really should have been addressed to improve future implementations. Respondents noted four considerations for an analysis after the completion of a change initiative: 1) the current state of this type of analysis at Wells Fargo Home Mortgage; 2) the recommended process for conducting this type of analysis; 3) the participants who should conduct the analysis and who should be resources for interviews or surveys as part of the data gathering process; and 4) when the analysis should be conducted.

The current state. Though a few participants noted that they believed Wells Fargo Home Mortgage already conducted lessons learned activities, most

participants stated otherwise. Most respondents suggested that either the existing analysis process needed large improvements to be effective, or that any mention of a current analysis process was more lip service than actual process. Again, the majority of respondents stated that a defined, standardized process for the analysis of the processes, approaches, and results of change initiatives needed to be created and consistently utilized.

One project manager stated that he believed that existing post-initiative analysis at Wells Fargo Home Mortgage was in the necessary stages of being improved. He stated:

There is a lot of work being done to improve the process of how we perform "project autopsies" (lessons learned and project debrief discussions) around here. You know, where we dig in and figure out what succeeded and what failed with the project, and how could we improve going forth. And we create reams of documentation around it as early as we can. I think we are starting to move down that path. We haven't always been very good at that at all. We've kind of been, in the mortgage environment, we do a project. If it's successful, great. Thumbs up. You know, move onto the next one because those are the key members we need to move over and we don't spend the due diligence on saying, "Wait a minute, what did we do right and what did we do wrong? What could have improved the situation?" And I think we're trying to do a better job of that. You know, kind of formalize the whole project closure process.

Other respondents did not believe Wells Fargo Home Mortgage placed value in a follow-up analysis. A consultant stated that, "As an organization, we don't know about the value of lessons learned." An executive noted two issues limiting the organization's ability to capture and utilize what was learned during a change initiative. First, he stated, "We don't do a very good job of capturing at either the right point or different points in the process, lessons learned. And we don't do a very good job in our organization of sharing those lessons learned." Despite the organization's current limitations in capturing and utilizing learnings from key initiatives, in his opinion, "lessons learned are a fun exercise to go through ... and it provides feedback for others."

Another executive also believed that capturing and utilizing learnings from key initiatives were key to the organization's success. The executive stated, "Everything is always better done when it's measured." She believed that the organization had traditionally done a good job of measuring budgets and timelines. However, she stated that the same attention should have been given to measuring learnings. As part of the project plan, she believed there should have been accountability given to measuring learnings. She stated, "Those same critical measurements of, you know, at X date, did you do the learnings? What did you do to get those learnings? The Enterprise Management office has done a great job teaching the steps [of a project lifecycle] so that we know when we're in feasibility, when we move to design, when we move to planning, or implementation, or execution, but there's probably some we still need to develop

on the back side.” In particular, she believed that it would have provided value to analyze and understand, “the critical components of a good change initiative.”

The process for conducting. Most participants suggested processes and approaches that could have been utilized to capture and utilize the learnings from key initiatives, and to ensure that an analysis was conducted. One recommendation for ensuring that an analysis of a change initiative was conducted following its completion was to have Wells Fargo Home Mortgage’s Enterprise Project Management Office formalize the analysis process as part of the closing activities for any tier one or tier two project. According to a project manager, “If they’re trying to put more structure behind the whole project process and part of that structure... should be closing activities and formalizing closing activities.”

Respondents noted the need to create and utilize the proper tools and reports to measure the results and capture key learnings. To be as effective as possible, the tools and reports should have been shared with management so they would understand how learnings would have been captured and analyzed. Respondents also noted that it was important to train those who would have been using the tools and reports to use them correctly.

In addition, respondents recommended that the organization not wait until the completion of an initiative to determine the success measures and measurement tools. Instead, to help both with capturing and analyzing key learnings from the initiative, and to assist in analyzing the success of the change

initiative itself, the success measures and measurement tools should have been defined during the development of a solution, and must be communicated to those impacted by the change as part of the implementation. Too often, respondents noted, measurements were not considered until post-implementation, if at all. The most successful initiatives, according to respondents, were those in which the success measures were established during pre-implementation, and communicated to those who were responsible for making the change.

Many respondents offered specific suggestions for the types of tools or processes that could have been utilized to capture and analyze learnings from key initiatives. One starting point, according to a project manager, was to utilize a “lessons learned” survey to begin the analysis process. In order to most efficiently gather the information, the respondent suggested that the survey or questions used to gather the information should have been standard so that it could be used during the analysis of any initiative.

Another area a consultant identified as necessary to include in the analysis, but difficult to do, was “How do we document and share all the little pieces that are the glue that hold the big pieces together? This is a very critical role that doesn’t get documented.” One recommendation she made for helping this to happen was developing and utilizing a “standard process for documenting that provides a structure to get people started.” The standard process, according to that respondent, would have included the necessary questions or measures to

look at the “little pieces” that she identified as being critical to truly understanding the key learnings for an initiative.

An executive noted that in capturing key learnings, it was necessary to gather input from those team members impacted by the change, as well as from the home office team members who were driving the change. He provided a suggestion for one potential way to gather some of that data from front-line team members. He recommended setting up a project web site with a survey box that stated something to the effect that, “If you have any ideas, thoughts, criticisms, messages that you want to send to the team about what we just implemented” here is one mechanism for communicating that information. When establishing such a mechanism for gathering feedback from the front-line team members, he suggested making it clear to them that “we don’t have the ability to respond to all” of the messages. And he noted that it would be important to make it clear to the project team that “you’re going to have to take it with a grain of salt; that you’re going to get some nuts in there who are going to go off and you’re going to say this guy is not representative of the larger group.” With such a process for gathering feedback, the respondent also noted that it was important to establish that no matter what the feedback, those providing the feedback would not experience any retaliation for their responses.

Several respondents suggested that while surveys, email responses, and web site reply functions are useful tools for gathering information for the analysis, face-to-face conversations should also have been a component of the process. A consultant, for example, stated that during an analysis it was critical to have one-

on-one conversations with people to gather information. In addition, she believed that it was important to discuss the “small stuff” that often gets lost in a more general lessons learned follow up to an initiative.

Another respondent recommended using an external consultant as the resource to conduct the key learnings analysis. She suggested that when the consultant met with the project team members and others impacted by the change, the meetings should have been conducted one-on-one or in small groups because she believed that “people aren’t honest in a big group.”

A consultant external to Wells Fargo recommended conducting very in-depth interviews to gather the information for key learnings. He suggested spending at least an hour for each one-on-one interview. Ideally each interview should have been conducted in person rather than via phone, according to the consultant. If individual interviews were not always possible, he suggested that for small group interviews to be effective, the culture needed to have been set to enable the group to feel comfortable talking about mistakes and failures. The person conducting the interviews, according to the consultant, should not have attributed statements to individuals. In terms of the people facilitating the interviews, he recommended that they had a solid understanding of learning organizations, mental models, systems thinking, and would have had the ability to conduct a causal analysis. In addition, if the people conducting the interviews were internal to Wells Fargo Home Mortgage, they needed to have had the trust of people within the organization. He also recommended having two people

conduct the interviews, and a third to participate in the analysis of the data, findings, and learnings to uncover mental models.

A knowledge management consultant believed that the skill of the facilitator would determine the quality of information gathered during an interview. The facilitator, according to the consultant, "can't look for specific answers and can't have preconceived notions, or must set these aside." He suggested that the facilitator needed to create an environment where people felt free to share information. In order to do this, he recommended that facilitators create an awareness among interviewees of why the follow-up review was being conducted. He stated, "They need to see that the information will be used so they understand the value and will take the time to respond thoroughly." He also suggested using an anonymous survey to gather information about a project that didn't go well because there would be less personal risk in sharing information in that format.

A knowledge management consultant commented on group interviews to gather information. He suggested that "group interviews can work more easily when the group already works together." However, the facilitator must lay groundwork rules for the session that included things such as, "Speak the truth, but with respect." He also recommended that the facilitator could break the ice by having someone in the group who had been coached to get things started. He also recommended that group interviews could be useful after the facilitation team had developed core themes through individual interviews.

Gathering the data necessary to analyze an initiative for key learnings was only one step in the process, according to respondents. Once data were gathered, the next step was to analyze why results were what they were. According to respondents, understanding the reasons for the results enabled something to be done to impact future results and future change initiatives. For example, understanding positive results enabled another project team to leverage the reasons for the success to improve another initiative. Understanding negative results allowed other project teams to avoid making the same mistakes during future change initiatives.

In order to help ensure that data were actually analyzed, a respondent recommended appointing someone to analyze the data gathered. The person appointed to analyzing the data should have been trained or qualified to complete the analysis.

Another major component of capturing and utilizing key learnings, according to respondents, was to analyze key learnings, measurements, and results across projects and change initiatives. The purpose of this was to chart successes and opportunities, and to identify trends. According to respondents, identifying trends across initiatives would have allowed Wells Fargo Home Mortgage to better leverage successes and learnings than if the outcomes and lessons were isolate by project.

In order for the organization to begin to understand the critical components of and key learnings from major change initiatives, an executive recommended charting learnings from key projects and looking at the outcomes

and learnings from a series of projects to identify the key trends. "If you did that same measurement across the organization...I think the culture starts to say, 'Where do we have the most work to train, to build, and to improve our overall process that we agreed to.'" The type of measurement and analysis to which she referred was a combination of "qualitative and quantitative. The results that again tell a very compelling story." Another respondent, a project manager, stated that in order to analyze a change initiative and to be able to apply those learnings in other situations, the project team and the organization needed to "look at those things that succeeded and those that failed given certain project circumstances."

Other respondents noted the importance of identifying the root cause of the trends that were identified in the process of identifying the key learnings. An executive believed that the key to capturing organizational learning was to analyze roots causes. He stated that the organization must:

Go back and understand what works well and what didn't the last time we tried this. And to really get to the root cause of why it didn't work.

Sometimes we do a look-back and we say, "Oh, that didn't work for these reasons." And maybe those really aren't the reasons. So it didn't work because...and therefore we shouldn't do a large project again. Well, was that large project unsuccessful because it was a large project or because we didn't have the skills available to pull it off, or because we as an organization didn't have the sense of urgency. So is it the large project or whatever seems to be the symptoms that's the problem and we can't repeat that, or are there root causes that really need to be addressed?

Several respondents suggested that a quarterly review of all the key learnings, measurements, and results of initiatives could have been conducted by a central office such as the Enterprise Project Management Office.

The participants. Respondents also commented on both who should have conducted an analysis of key learnings from change initiatives, and who should have been the respondents providing the data for that analysis. Many respondents made the assumption that someone from the project team should have been assigned the responsibility of conducting the analysis of learnings. Several other respondents recommended that someone external to the project team, and perhaps external to the organization, should have been brought in to conduct the analysis of key learnings.

Some respondents who looked to a project team resource to conduct the analysis identified the project manager as a likely resource. One respondent suggested that it should have been, "the project manager's responsibility to go back and interview all of their subject matter experts" to ensure that someone had captured information from that group within the project team. Other respondents, particularly consultants, assumed that someone from Wells Fargo Home Mortgage's National Implementation Team who was part of the project team should have conducted the analysis because they were supposed to be doing an internal lessons learned activity for each project in which they were engaged at the time of the interviews.

Many respondents looked to the Enterprise Project Management Office as a logical choice to provide the resource to conduct the analysis. Other respondents did not identify an existing entity within the organization, but believed a dedicated resource needed to be identified. A consultant, for example, stated that she believed the only way the organization would truly be able to capture what was learned in an initiative, was to have a separate group within the organization whose responsibility it was to capture those learnings. She stated:

The best way to do it is to have a totally separate function. Because even if you build it within a business unit, I'm telling you something else will come up and you'll end up kicking it to the side. So you will have to have like a totally separate function that came in and made the effort to capture all the learnings and have a process for capturing them.

A project manager recommended utilizing an outside consultant, or at least someone external to the project team, to conduct the analysis following an initiative. She felt that utilizing an external consultant would have been beneficial because they would not have been as biased as someone from the project team would have tended to be. In addition, a resource external to the project team and the company, the respondent believed, would have helped the people being interviewed to have felt more comfortable in being honest because the consultant had not been personally involved in the project and would therefore not have biases or feel personally attached to the project and its successes or shortcomings.

Respondents also noted the pools of human resources from which data for the key learnings should have been gathered. In general these included project team resources, executives, those impacted by the change, and vendors.

An executive recommended a process that she had successfully implemented at another organization for gathering key learning information from front line resources impacted by a change initiative. She explained the program, stating, "We took people from the front line, maybe not an actual front line person, but a front line supervisor, or like in banking, a branch manager, and selected representative people from throughout the country." These representatives, she explained, went through a training orientation session, then each month participated in a face-to-face or conference call meeting with the top executive responsible for their area of the organization. This format, according to the executive, allowed for the front line representatives to:

Speak, providing that front line feedback directly. "Here's what's really happening while you're trying to roll this out. The good and the bad." And the executives who were on the other end of that receiving it typically said that was the best hour that they spent every month. They lived for that hour.

She believed that it was a very successful way to analyze an initiative because it was efficient and effective because it provided "very rich and valuable information." She identified several factors that were key to the success of that process for gathering data. One success key was receptivity on the part of

executives to respectfully hear whatever the front line representatives were sharing. Another key she identified was an assurance to the front line representatives that there would be no negative consequences for honest feedback. The respondent mentioned that selection of the front line representatives was another key factor in the success of the process. She stated, "We had selection criteria for these people, so it wasn't just a random selection. We picked people who were known to be leaders, who would be vocal and be constructive."

Another executive recommended that "good, solid debriefs with all the right people" would have been helpful for capturing and utilizing learnings from change initiatives. One particular area in which she felt Wells Fargo Home Mortgage fell short was conducting debriefs with those people who were on the receiving end of a change initiative. Those types of debriefs, according to that respondent, should have started with executives at the very top of the organization impacted by the change and continued down through their reports to those at the front line.

A national sales manager believed that the analysis process needed to have included more than just the project team. He stated:

If you did just the project team, I think ...they would be too close to and very protective of the change. I think what you would do instead is you might take the executive sponsor, you may take the project lead and maybe one other person on the team and then you would take a group of people that were most impacted.

The group who is involved in the analysis project, according to the sales manager, should have been asked, "Okay, from your perspective, how did this go and what should have been done differently and how did the timing feel and what were the positives and what would you change?" In his opinion, in the current state of change initiatives at Wells Fargo Home Mortgage, "there's a lot of on-site chatter about, 'Oh this was terrible, they should have done this, should have done that', but it never gets back to the team. It's just kind of out there."

A consultant recommended that particularly when Market Implementation Team members were involved in an initiative, that the process for capturing key learnings involved gathering input from that Market Implementation Team. At Wells Fargo Home Mortgage, the Market Implementation Team members were a link between the mortgage home office and those team members in the field offices, so, according to the respondent, they could have brought a unique perspective to a lessons learned process. She recommended asking them what they believed worked well, what didn't work well, and what they would consider to be best practices based on their experiences with the initiative.

The consultant also recommended including vendors in any analysis process following an initiative. In particular, she recommended asking questions of the vendors that would have helped Wells Fargo Home Mortgage establish standard processes for working with vendors. Any responses from vendors, the consultant suggested, should have been kept on file with the contract services office that oversees vendor contracts for Wells Fargo Home Mortgage.

The timing. Respondents also had recommendations as to the most appropriate timing to gather information regarding key learnings from change initiatives. Most recommendations were for a phased approach that included beginning to capture learnings during the each of the phases of the initiative and continuing to gather data until at least six months following the completion of an initiative.

A consultant, for example, suggested being proactive and beginning to log lessons during a project, rather than waiting until after the implementation was complete. A knowledge management consultant also recommended keeping a learning log throughout the change initiative process. The log should have been used to record "ideas and issues that will help to stimulate conversations later." He believed it was important to start having conversations during the project rather than waiting until the end of the project. Another consultant recommended to "do it in phases." She suggested beginning the analysis right after completion of the project and "then maybe come back ... a few months later for follow up." An executive also discussed the timing of the analysis of a change initiative. She stated:

We don't know if something didn't go well the first three weeks because it just takes time or is it not working. Or if things did really go well in terms of whatever results we are seeing, is that going to be sustainable, or is it going to taper off? So it will probably be effective to do the post-implementation review from a project standpoint in terms of development and the technology and all that stuff shortly thereafter, but then six months

later to go back and do a post-implementation review based on the actual business results we are getting. You don't have those right away.

Utilization of Knowledge and Experience

Respondents noted that it was not enough to analyze the change initiative process, approach, and results. Instead, according to respondents, the key learnings, knowledge, and experiences from change initiatives needed to be shared and utilized to impact the way future change initiatives were handled in order for the analysis to have any meaning and in order for there to be an improvement in the way change initiatives are conducted. Eight components of utilizing knowledge and experiences from change initiatives were identified: 1) The importance of sharing learnings and experiences across the organization as opposed to only within a project team; 2) Identifying and utilizing a human resource as the keeper of documentation regarding learnings and experiences from change initiatives; 3) creating and maintaining an electronic repository for housing documentation regarding learnings from change initiatives; 4) creating a learning environment and culture within Wells Fargo Home Mortgage to promote acting upon learnings and experiences; 5) Developing human resources as the key driver of improving future change initiatives; 6) developing ready-to-use, off-the-shelf documentation of lessons from change initiatives; 7) identifying themes and trends in learnings across change initiatives; and 8) being open to leveraging learnings from other organizations outside of Wells Fargo Home Mortgage.

Sharing across the organization. Respondents agreed that it was critical for learnings and experiences from change initiatives to be shared in order for improvements to be made to the way future change initiatives were handled. A consultant summarized the importance of utilizing the knowledge and experiences gained through a change initiative. She stated, "We want to share what we learned so we don't make the same mistakes over and over." In response to a question regarding the common barriers in organizations that prevented them from incorporating what they had learned into new routines, an executive stated that it was important to "Really have the time to go back and capture what you learned and share it with someone else."

Several respondents mentioned that at Wells Fargo Home Mortgage a "lessons learned" process was sometimes utilized by a project team at the end of a change initiative to capture what went well and what did not go well with the project. Many respondents noted that rather than sharing the information from the lessons learned with the project team, the real leverage would have come from sharing the information outside of the project team. An executive respondent noted that the information gathered in a lessons learned process was not shared with the right people. She stated:

I was thinking about our lessons learned process. And we pull these folks together and we talk about it. And there's really no surprise. When you do a lessons learned, everybody knew what the lessons learned were; you learned them along the way. It's almost one of those, the real exercise should be, I'm Home Asset Management (a tier one project). I'm going to

invite the Risk Based Pricing (another tier one project) group to sit behind the glass and watch the lessons learned. And you know what, for your sake Risk Based Pricing, we'll have this discussion.

A consultant stated that the entire process of sharing learnings needed to have been much more collaborative. For example, he recommended that cross-functional teams should have been formed at the project sponsor level and the project manager level. According to the consultant, these cross-functional groups should have met on a monthly basis to share issues and ideas. He suggested that the Enterprise Project Management Office could have played a role in getting the right cross-functional groups together to share key learnings. Communication vehicles, such as bulletin boards or web sites, were offered as methods for posting and checking for issues common to many projects and as assisting in the process of sharing information. Again the consultant looked to the Enterprise Project Management Office to host such communication opportunities.

An executive stated that one of the challenges in utilizing key learnings was "really taking people through those learnings more in depth." She noted that the project team may have gone through a process of talking about lessons learned, but she asked, "Do we have enough cross-pollination of people learning from each other's projects?"

A national sales manager believed that two groups needed to be targeted for follow-up meetings regarding key learnings. In the first group, he would have liked to have seen the national sales managers, department heads from the

mortgage home office, and operations executives. This group he recommended to receive training in how to conduct a "root cause analysis, how do you create change, what's worked—good and bad—in implementing change, what can the organization learn." In the second group, he targeted line managers, including area managers, regional managers, and operations production managers. For this second group, he recommended training focused on actually implementing changes. He stated:

What's worked well and what hasn't worked well when it's been your turn to implement change. And when the video goes away and the home office people fly home and you're left to say, "Okay, now I end up driving this by myself." What's worked and what hasn't worked in the field.

Another executive recommended that in order to ensure that key learnings were shared and utilized, people must be held accountable for sharing and utilizing the learnings. She stated:

It would be a more formal process around truly making sure that everyone is acting on certain recommendations that we know can help any project But if we don't put some sort of a goal out there in terms of, you know, we'll make sure that ten improvements are implemented and they're all projects, they're all tier one projects, every quarter, every year; it will probably never happen.

A consultant recommended a different approach to sharing key learnings beyond the project team in order to make an impact on future change initiatives.

He suggested using key learnings as the foundation for a case study to be used in a leadership development program. He suggested having a group of approximately 30 mid-level leaders in the development course at one time. They would receive a document that overviewed the key learnings from a particular change initiative. After reading the report, the group would meet for two to four hours. One of the people involved in gathering the key learnings for the initiative would provide a high level overview of the findings. The project sponsor would provide the group with a history of the change initiative, why certain decisions were made, and answer any questions the group might have. Then the group would break into smaller groups and be given questions for discussion, including: What did you wonder about and why? What should we as an organization learn from this? What can you personally learn from this? What can you take back to your team? How would you implement those learnings in your team? Why? The key to this activity, according to the consultant, would be to emphasize the importance of learning and utilizing learnings to improve future approaches to change initiatives and the way of doing business.

An information management consultant who was part of a knowledge management advisory committee at Wells Fargo suggested a community of practice as another possible method for sharing key learnings from change initiatives. According to the consultant, at the time of the interview Wells Fargo Corporation had human relations, technology, administrative assistant, e-learning, and knowledge management communities of practice. She suggested that a community of practice could have been formed for those interested in

improving change initiatives. Then according to job functions in relation to change initiatives, people within the organization could have joined the community of practice to share information, problem solve, and network about change initiative practices.

A keeper of the learnings. Many respondents indicated that in order for key learnings to have been effectively shared across the organization, a “keeper” of the learnings should be appointed. Respondents noted that a dedicated resource or team would have to have been assigned this function as part of the roles and responsibilities for that position or team in order to ensure that learnings would actually be shared. A project manager, for example, recommended that after data were analyzed, a dedicated resource or team should have been responsible for summarizing the data, summarizing information into categories, and keeping the results. Then, as a follow-up activity, action items should have been built based on the key learnings. The information should then have been shared, according to the respondent, during a meeting that included a cross-functional team of all project managers, sub-project team leads, and business unit leaders. Another consultant recommended that, as a starting point, Wells Fargo Home Mortgage should have made a commitment to share lessons learned and have identified a central resource within the organization to document the key learnings.

A national sales manager recommended regularly scheduled meetings as a forum for sharing key learnings. He recommended that there be a “keeper of

the change" who would have attended a national sales managers' meeting twice a year to provide a report on "Here are some of the things we learned and here's how to implement change." He mentioned that at the time of the interview the national sales managers spent two meetings a year to go through media training. He stated, "Heck, if we could spend six hours a year on [media training], we spend zero hours on telling us how to implement change."

Many respondents identified the Enterprise Project Management Office as the natural location to house the responsibilities of gathering and disseminating key learnings from change initiatives. A consultant stated, "It should be a function off of our project management groups that really just focus on capturing all the learnings." An operations executive stated, "We don't do a very good job in our organization of sharing those lessons learned." In order to improve the sharing of key learnings, he recommended that the person within the Enterprise Project Management Office who developed and updated the calendar of change initiatives should also have coordinated the sharing of key learnings. In that way, he stated, "When she sees the next major initiative pop up, she might go... 'You know what, this is a lot like the one that was done six months ago over in this group.'" By having a central controller of the key learnings from past initiatives be the same person who also oversaw the timing for any new initiatives, the executive believed that more learnings would have been communicated with the project managers and project sponsors who would have overseen the upcoming initiatives. He stated that the key learnings controller would:

Make sure that I not only share these lessons learned, but get the project manager or the business leader's name so they know who was leading this effort and maybe then can avoid some of the same mistakes. And maybe there's even stuff they steal so they don't have to reinvent the wheel.

The executive noted that with the process in place at the time of the interview, "Every once in awhile we actually capture the lessons learned, but then we don't—unless something happens to get in your own world and you remember that particular initiative or project—you're not going back." Instead of relying on individuals within a project team who might have happened to be on the project team for a new initiative that could have learned from a past initiative, his recommendation was to "use change management as a clearinghouse" to oversee and control the analysis of key learnings and the distribution of those key learnings.

A consultant identified the same resource within a project management office as being the point person for key learnings. She stated, "If she should really see all the projects that are coming in and maybe if there was some resources or a link or something that she could link project managers to or ... have a library or something of key learnings by project or business unit or something that they can reference or be referred to."

Electronic repository. Though many respondents identified a human resource as the means to collect, organize, and distribute key learnings

regarding change initiatives, other respondents mentioned the use of an electronic repository. A project manager recommended, "Really looking at better ways of our project documentation and creating some sort of repository so that if I'm a first time project manager that I can have access to this documentation." Another knowledge management consultant stated that the ideal knowledge management situation was having a database as a repository accessed on a just-in-time basis. In order to establish such a knowledge management system, the consultant said that top management must have believed that it was important.

A knowledge management consultant also suggested utilizing data management systems in order to capture and utilize key learnings. She recommended a Search Taxonomy Enterprise Portal that was being developed and being prepared for pilot at the time of the interviews. This portal would have been a new intranet search engine available to Wells Fargo employees. Employees would then have been able to search for documents posted within the system by title, key words, or people. Help screens would have assisted people in refining a search. The knowledge management consultant also recommended having training seminars to train people in how to do an effective search using the portal. She also believed that there would have been fees attached to using the portal as a repository for information.

Yet another knowledge management consultant recommended nominating key learnings for the best practices program, which utilized an electronic repository to house the best practices. There were three categories of

information in the best practices program: great ideas—ideas that would apply at a local level within the organization, but not be applicable to the entire organization; proven successes—ideas that were possibly applicable to the entire organization; and best practices—those ideas that had company-wide implications. The program would have been governed at both a local business unit level and at a corporate level. The business units would each have had coordinators who would have established the ground rules for determining what would have been considered to be a “great idea” and what would have been a “proven success” that should be sent to the corporate best practices coordinators for consideration as a “best practice.” Throughout the Wells Fargo organization there were approximately 50 best practices coordinators. The consultant explained that to be included in the best practices program an idea needed to be submitted to the best practices review board that included corporate-level subject matter experts. The subject matter experts would look at the nominated proven successes to “decide if there is anything the organization could gain from the proven successes.” Overall she said that the philosophy of the best practices program was shifting from “quantity to quality” of ideas.

Several respondents noted that in order to be of value, a repository would have required someone to oversee and manage the content. A project manager, for example, recommended that if an access database repository were developed, that someone would have to oversee the database. He suggested that the Enterprise Project Management office take ownership of the information, and perhaps Wells Fargo Services Corporation—Wells Fargo’s IT department—

could have helped to support it from a technology standpoint. The access database repository he envisioned would have included:

Your lessons learned and your project closure activities divided into various categories and then put that information in some sort of textual database so that I could do searches off of it, you know. Kind of like... a big web server, right, where you say, "Find me a project that dealt with home equity and mortgage." And boom, here comes some of the projects that did that....Click on "Show me the successes and the failures, what went right, what went wrong, what were they trying to do."

Several respondents suggested that the Retail Project Management Office or the Enterprise Project Management Office —the same department identified as the source for human resources to oversee the utilization of key learnings— could have been responsible for an electronic repository. A consultant, for example, suggested that the Enterprise Project Management Office could have included key learnings on their website and in their project management procedures and guidelines. She recommended, "Even if they could put something out there that houses key learnings, or again, just build it into part of their process."

Though several respondents, particularly some knowledge or information managers mentioned an electronic repository for key learnings, the other respondents, particularly consultants and executives, did not think an electronic repository was a viable option. According to a consultant, "It sounds like that's

just getting lost in the technology." A project manager noted that there would have been problems with a repository. He stated, "Would it be reliable? No, because the true nuances are once again in the details." He did not believe that a database would have been able to accurately capture all of the details.

An executive also questioned the use of knowledge management systems. She stated, "There's knowledge management systems and I always worry about those because they're as good as people are willing to dump into it and how much can you physically dump into something when what you've really learned is in people's heads and what they maybe emotionally survived."

Even an information management consultant cautioned against the use of electronic repositories. He commented in regards to a knowledge management infrastructure that there was "no point in storing and sharing information that is not useful." He believed that the "time and resources are always underestimated" to maintain a meaningful knowledge management repository. He stated, "If people are posting information on a web site, but nobody attends to it, edits it, it will be full of crap soon." Instead, he recommended taking advantage of communication channels that already exist for sharing key learnings. He stated, "If senior management supports a communication channel, people will look at it."

Not using an electronic repository left many respondents trying to address the issue of how to collect, document, store, and share relevant key learnings in order to impact future change initiatives. A consultant stated, "I think of all the project managers we have, contractors, there's a learning that needs to happen for them. So you think, 'Where could they get this learning and who would share

these learnings with them? I would say it would have to be a separate business unit, but you don't want it to be so far removed that it doesn't get to the right people. And that's why I say it just has to be connected with some type of project group."

Creating a learning environment and culture. Several respondents who were not comfortable with electronic repositories mentioned the concept of creating a learning environment and culture to share key learnings, knowledge, and experiences. An executive stated:

I'm not a big fan of, "I'm going to publish all this stuff in some central repository somewhere." But rather, I'm going to commit to doing my business differently based on what I learned. And if everybody does that, commit to improving their process whether it's whole scale or incremental, throw it away that was just plain old and bad I will never do this again, or in this situation I need to do it like that, or this piece of my process needs to be different, but if we all change the way we do business... it's the application into your fabric of the lessons learned. Not necessarily hanging somewhere for other people to tap into.

Another executive stated:

What people try to pitch me is the repository. The central repository that everybody else can go get into. I'm really, really suspect of that. What I would say is have a culture that's willing to look back at what it did. Have a

culture that's performance improvement focused. That's never happy with status quo.

Promoting a learning environment or learning culture was the foundation for utilizing knowledge, key learnings, and experiences that several respondents noted. One executive explained that having a learning environment meant that "It's okay if you messed up; it's okay to mess up once, but now if you do the same thing twice, now that's a problem. And specifically promoting more of a culture of 'It's okay to have learned something; it's actually a good thing.'" She believed that Wells Fargo Home Mortgage did not have a learning environment. She stated:

I don't think it has ever been a consciously stated value that this is something we value and welcome. It's people's ability and willingness to come forth and say, "Here's what I could have done differently, you know. Shame on me, but wanted to share it so everyone can benefit."

Another executive also supported the development of a performance-improving learning culture. She stated, "We're just making new mistakes instead of repeating the old ones because we've all applied it." Another part of a learning culture, according to the executive, was the "freedom to fail." She stated:

You know, I don't know how many times I've shared with people, as bad as it is and as big as you can screw something up ... no one will die. We're in the mortgage business. If we were doctors and nurses I'd feel a hell of a lot differently. I think in a performance improvement you have to

be okay with failure. Now that's not to say to you accept never getting it right. You know when you're taking risks and you decide to take them.

The executive noted that to truly promote this type of culture, compensation plans must have recognized and rewarded people for coming up with ideas and trying new approaches. She commented, "If I give you pats on the back for having 99.999% accuracy every single time and never pat your back for coming up with an idea.... There's no receptivity then."

Developing human resources. Part of building a performance-improving, learning culture, according to an executive, was helping team members understand that, "Every single team member, no matter how good they are, has the belief that they could do it better." An executive believed that utilization of knowledge and experience went beyond the basic sharing of key learnings. Instead, he stated, "There's got to be better development of our people, so you've got good people coming into the organization and good people being developed. Instead of 'Here's our good people' and it's a stagnant number."

Another executive also identified people as the key to utilizing knowledge and experiences. She stated, "Simply put, it's always the people aspect that's the most overlooked." She explained that even when key learnings are captured and documented, improvements from those learnings "could only be realized with people being involved."

A project manager also identified people as most critical to improving change initiatives. He stated, "More care needs to be given toward team

members ... We need to work on some sort of reward and recognition policy to look at team members. Team members play a vital role." One specific recommendation he made was to support team-building opportunities. He stated:

The irony of this company is phenomenal in the fact that nobody questions me when ... spending \$500,000 bringing in a mass of contractors to help work on a project, right. We're spending \$500,000 on software license, but to do a trip, right, an off-site trip where I'm looking at spending maybe \$10,000, you know people give me the hardest time about that.

A project manager stated:

The true asset is employees and their memory and how well they can adapt. And if you take those two combinations of their experience/memory, and their ability to adapt, then your success on a project exponentially grows because you're leveraging a good asset of the company.

Off-the-shelf documentation. Identifying the most critical key learnings for people within the organization to focus on learning and adapting was critical, respondents noted. Without helping team members to focus on the most critical learnings, people might not utilize the learnings at all. An executive explained that instead of taking:

ten pages of individual bullet items, all, you know, good ideas. People see that and it's like, "Okay, nice list." We would probably be far better served

as an organization to not even potentially share all those lists with everyone, but to take, Okay, what are these five things every quarter or whatever that we are going to pick out of these that we want every single change initiative to be focusing on differently or better. And you know gradually, I think we would probably get more traction by really focusing on a select few.

A project manager from the information technology branch of Wells Fargo mentioned a problem with the way documentation had traditionally been approached. He stated, "The problem is that we are creating reams and reams of documentation that nobody is going to read because nobody has the time to read." He continued, stating, "Unfortunately, how quickly we speed up and move onto other projects, a lot of people don't have time to go back and learn from a different project they weren't involved in what succeeded and what failed. They have to rely on that team member experience."

Another critical aspect of utilizing key learnings, according to respondents, was creating documentation that upcoming change initiative teams could refer to when beginning work on a new initiative. A consultant said that without that documentation, "Its like, here we go again," because the project teams always started from scratch.

Several respondents mentioned the need to have materials shelf-ready as a specific method for utilizing knowledge, learnings, and experience. A consultant commented that a group should have developed "shelf ready key learnings" to disseminate as appropriate throughout the organization. For example, several

respondents noted that essentially the same basic initiative was implemented each time mortgage interest rates dropped and human resources needed to be added to take and process the new loan and refinance applications. Yet each time, according to respondents, the project team started from scratch and reinvented the wheel. A consultant stated:

I think about Rapid Refi (Refinance) and I think about all the stuff we did and I think, "Okay, let's have this project branch capacity management shelf ready." And it's shelf ready and ready to go, but who knows that it's shelf ready? Maybe there's a central location where stuff is housed and, you know, maybe we just have to change the culture and say, "Before you start any project you have to go out here and browse this web site to make sure you're not reinventing the wheel."

A project manager recommended that key learnings documentation be stored in a generic format so that it could have been applied to and utilized for a wide variety of initiatives. He stated, "It's written generically so it can be applied to many types of different projects and maybe search a whole database where I can type in the kind of a problem or an issue, or you know, have templates at my disposal. Look at those things that succeeded and those that failed given certain project circumstances."

An executive mentioned that in addition to having major initiatives shelf ready, that it would also have been valuable to have smaller things such as "how to do web conferences" documented. She explained, "I know a lot of people have

researched that time and time again 'cuz everyone comes across that so those little things can add up."

Identification of themes and trends. One respondent mentioned that it would have been beneficial to have identified themes and trends across the key learnings from change initiatives. He identified the change management team within the Enterprise Project Management Office as the group to assist the organization in effectively utilizing the knowledge and experience gained during change initiatives. He recommended that the team look for trends and themes across all key learnings in order to identify common learnings that would have applied to almost every change initiative. That team, then, should have communicated those as "things to watch out for in any major initiative. So have you done this? Have you done A, B, and C? If not, we can tell you from experience, that if you don't, you're times are elongated by three months or your effectiveness is reduced by 50%, right? Or you exceed budget by 25% if you don't do these things." In addition, he recommended that the change management team do statistical analyses to determine key indicators that would "correlate to ... higher expenditures, lesser effectiveness, longer implementation times, whatever."

Learning from other organizations. Several respondents also noted that Wells Fargo Home Mortgage should not only look to itself for key learnings and best practices. A consultant stated, "We can learn from all sorts of organizations,

not just financial organizations. We need to leverage those ideas and not just be set in our thinking that the Wells Fargo way is the best way." An executive also commented that Wells Fargo needed to look to other companies for key learnings and best practices. She stated, "Learn not just from ourselves, but learn from what other companies are doing, or other departments are doing, and then just constantly, constantly, constantly evolving an approach, process, methodology."

Strategic Approach

Several respondents mentioned the need to take a strategic approach to change initiatives. Thinking strategically about change initiatives, participants' responses indicated, would have assisted Wells Fargo Home Mortgage in determining which change initiatives were worth undertaking, and for those change initiatives that would have been pursued, would have assisted in determining how to develop and implement the solution.

Determining which initiatives are approved. Determining whether there was a strategic need for a change initiative was so critical that an executive respondent believed that this was what should have determined "whether there should be a project or not." Another executive pointed out that strategically there should have been "an adequate business case for something." Otherwise, she stated, a change initiative would, "die a slow painful death throughout the month or the years that follow in actually trying to pull it off."

A national sales manager believed that one way to determine if a change initiative was aligned with business strategy, and therefore would have been important enough to implement, was to decide if the initiative was worth involving the very best people in the organization as part of the project team. He stated:

Some of these projects that have been created in the last two years, they wouldn't be created, because somebody would look at it and say "This isn't worth it to bring these people together." And the answer to that is, "You're right, we should have never done it." So sometimes when you make it easy to put together a solution team you start to solution all sorts of stupid stuff; when you make it hard, then you only attack the stuff that makes a difference.

Determining how to develop solutions to problems. Once it had been determined that from a strategic standpoint, a change initiative should be approved, thinking strategically should have helped to determine the most appropriate solution to the problem. An executive, for example, discussed a change initiative she was sponsoring that would have involved an upgrade to the technology systems for all employees in Wells Fargo Home Mortgage. She explained the problem that the project team was trying to solve. She stated, "We're operating on Windows 95, we have too many servers. ... The problem being that we have not managed our technology infrastructure like an ongoing utility." Initially to mitigate the technology problem, the executive said the project team started down the path of "we will remediate all 5000 applications, we will

consolidate all one thousand servers, we will, we will, we will. And then we have this \$100,000,000 project." At that point, rather than proceed with such an expensive project, the respondent and the other executive sponsors of the project paused to look at the underlying issues and the best strategic direction to take with the change initiative. She stated:

What's the issue of current versus future state? And then we went through the implications. So we haven't managed our server purchases. Anybody can buy anywhere from a \$50,000 server to a \$1,000,000 server. So we go out and buy these servers. Well the problem is, if I need a \$50,000 server and you needed a \$200,000 server we could have potentially pooled our money together, gotten some other money, actually buy a \$500,000 server and killed six servers over here that aren't at capacity.

The executive explained that by:

going through the process of articulating issues, articulating the implications of that, and then articulating high level approaches to resolving those issues to mitigate that negative implication on the organization ... Once we did that, we completely and 'whole-scale' changed our approach to the problem.

The executive believed that often times Wells Fargo Home Mortgage understood its current state and understood the ideal future state, but did not consider what should have been involved in moving from the current state to the

future state and the strategic implications of how the move was structured. She stated, "I think too often we kind of understand A, which is good, we kind of understand Z, which is good, and we just start running and we don't understand what all of that means." The respondent believed that the future vision of the organization should have driven all decisions regarding change initiatives and, ultimately, the way of doing business. She stated, "So you really have kind of milestones, watermarks, measures, metrics, that you have a fairly clearly articulated definition of what that vision looks like." She provided the example of the vision of 3M to be a product innovator. That translated into, according to the respondent, "their definition of product innovation is that, I think the number is like, 40 to 50% of their annual sales come from products that are less than twelve months on the market." She continued by explaining what 3M's definition did for its team members. She stated, "I can start to understand who owns that. I can understand what my role is in product development, my stake in that. I can understand what my stake is in sales." She believed that at Wells Fargo Home Mortgage, "I think that we have the vision, we don't necessarily know what it looks like to get there."

Another executive suggested that in order to have a successful change initiative, it was critical to have "the philosophy of what we are trying to achieve and why." The executive highlighted the importance she saw in always looking at change initiatives as opportunities for strategic change. She provided an example of upcoming regulatory changes to the mortgage industry that would have

necessitated Wells Fargo Home Mortgage undertaking change initiatives to make sure the company was in compliance with the new regulations. She stated:

This is probably the biggest change that's going to take place in our industry in twenty years and so it creates a huge opportunity for strategic change. We could either just comply with the regulations, or we could say, "You know what, here's a great opportunity to change our whole business model and create a point of differentiation in this competitive environment." Which is much better to focus things that way, an opportunistic way.

This respondent believed that it was critical to approach every change initiative by questioning the strategic approach and philosophy. She commented, "If you talk about that at the front end of a project, what you do is you get a whole different solution than what you would otherwise get." If a project team began to develop a solution without having discussions about the strategic approach and philosophy, this respondent would have made the project team start the process of developing a solution again. She stated:

It's like go back into the work again. Let's talk about the philosophy. But we've wasted time, effort, energy, and money by going down a path, because the philosophy—what we're wanting to achieve or how we were going to achieve it—was not discussed or even thought about up front. It was just, "You know I've got a problem. What's the shortest path between

here and that problem." It's not necessarily doing the right thing for the organization.

The respondent believed that all upcoming tier one and tier two projects "will be about implementing strategic change." She saw each change initiative as an opportunity to make strategic improvements to the organization, rather than simply solving a problem. She stated, "If you are going to spend the money, let's really, everywhere we touch, let's try to be more effective, be more efficient. Let's be smart about what we are doing."

The respondent believed that it was critical to think strategically and philosophically about a change initiative throughout the project lifecycle. What she generally saw happening instead, however, was a focus on project management processes and methodologies. She believed that in most cases, these processes of project management got in the way. She stated that project teams tended to:

Get so hung up on the process that they forget about the content. And you know I think that's where a whole bunch of things went wrong because people got so hung up and they had this whole religious mystical thing about the process and forgot what they were doing it for.

Though several executive respondents commented on the importance they placed on vision and strategic thinking in driving the approach to a change initiative, several respondents commented that this attitude and approach were not pervasive throughout the organization. A consultant, for example, believed

that the executive management team, "must be more strategic than tactical" in their involvement in change initiatives. A project manager stated that for change initiatives to have been successful, "top leaders and middle managers must have a common vision." Another project manager stated that Wells Fargo Home Mortgage "does not have a strategic direction that everyone is aware of." She believed that if one-third of a project team were devoted to future strategy development for one system, "everything would be better."

Not all respondents, however, believed that executives focusing on the organization's vision helped the success of a project or change initiative. A project manager stated, "Executives tend to have a very specific vision in mind of what they want and in some cases are not willing to deviate from that vision." He believed that in such cases, having a vision but not understanding the details of the reality of business made it difficult for a project team to translate the executive's vision into reality.

Discussion of Findings

The literature as well as the findings of this study focused on the components and processes necessary to create and sustain successful changes, and how to capture, share, and utilize learnings from those initiatives. Both the literature and the findings acknowledged that the nature and culture of today's organizations presented challenges to realizing the goal of successful change initiatives, and capturing and applying learnings from those initiatives. The literature, however, placed more emphasis on generalized best practices; the

findings focused more on searching for ways to apply best practices while remaining true to, or working within the limitations of, the organization's culture.

Organization Culture and Structure

The literature acknowledged that today's organizations tend to be very fast-paced and demand quick solutions in order to be successful (Davis & Botkin, 1994). Respondents in this study frequently noted that the fast pace of change at Wells Fargo Home Mortgage was both a reality and a challenge that often undermined the success of change initiatives and the organization's ability to learn from its experiences.

The research addressed the flexibility needed from organization's today. Team members were expected to work together cross-functionally in order to develop solutions, provide leadership no matter what a person's hierarchical position, and take ownership for driving problem solving and change (Dutton, 1996; Hersey et al., 1996; Kiechel, 1990; Sashkin & Rosenbach, 1996; Senge, 1990; Weisman, 1999). Interviewees also discussed the need for team members from departments throughout the organization to work together on project teams to solve complex problems and implement change initiatives.

A challenge that was noted by respondents was lack of resources, personnel in particular, with the capacity to be involved in a project team working on a change initiative long enough to ensure that the change was sustained. Though the literature emphasized the need for team members to follow through on a project and respondents also noted that follow-through by team members

was necessary to sustain a change, the findings focused on the reality of project teams being disbanded as soon as a change was implemented because of capacity issues and the need to begin work on the next change initiative. The findings did concur with the literature in the need for team members to drive the planning, development of solutions, and implementation of change initiatives.

Implementing Change

The literature noted the difficulty in making a change within an organization. Challenges for implementation noted in the literature included establishing the need for change, recognizing that change is a process rather than event, ensuring there are clear directions for how to make a change, providing enough communication about the change, preparing people to make the change, and involving the people directly impacted by the change in the entire change process (Hall & Hord, 2001; Hersey et al., 1996; Kotter, 1998; Newhouse & Chapman, 1996; Pritchett, 1996; Pritchett & Pound, 1990; Senge et al., 1994; Senge et al., 1999).

Respondents noted many of the same necessary elements for implementing change, with a few key exceptions. One area of focus for respondents that was not emphasized in the literature was making sure all of the right departments from the mortgage home office were represented on the project team that would develop the solution for a change. The literature was more broad in expressing a need to have the people who would be making the change involved in developing the solution for change and driving the change.

The respondents, however, limited the involvement of team members making the change to having representatives take part in a needs analysis and in a solution validation. Beyond that involvement, the findings did not suggest that team members directly impacted by the change should be an integral part of the project team driving the change.

Sustaining Change

The literature noted that change was a process that required significant work following the actual implementation of a change in order for an organization to sustain the change and make it part of the organization's culture (Hall & Hord, 2001; Hersey et al., 1996; Kotter, 1998; Pritchett, 1996; Senge et al., 1999).

Respondents also noted that the work needed to be done following the implementation of a change was significant if the change was to be sustained. Respondents noted that doing the post-implementation work necessary to sustain a change was an area of opportunity for Wells Fargo Home Mortgage, and that currently work to sustain changes was usually not completed. Findings showed that respondents felt it necessary to emphasize the importance of follow up after implementation, of developing measurements that would illustrate whether a change had been sustained, of creating accountabilities for making and sustaining a change and actually holding people responsible for the accountabilities, and for communicating the on-going importance of sustaining a particular change. One respondent felt that Wells Fargo Home Mortgage had already made an improvement by getting to the point of actually implementing a

change since in the past the organization had stopped several key projects before implementation.

Leadership from Executives

The literature noted that leadership was a process of influencing change and therefore an inherent component of change. Also noted was the necessity of setting a vision for the organization and having leadership drive the attainment of that vision (Antonioni, 1994; Bass, 1990; Burns, 1978; Capowski, 1994; Dutton, 1996; Hall & Hord, 2001; Hersey et al., 1996; Hogan et al., 1994; Kouzes & Posner, 1988; Van Eron & Burke, 1992; Weisman, 1999). The literature did not make the distinction of leadership being provided at executive levels that the findings did. Respondents suggested that the executive sponsors of change initiatives should be responsible for setting the vision and direction for the project team and for the change initiative. Respondents also noted that executives had a key responsibility in sustaining a change in that team members would be more likely to understand the importance of making and sustaining a change if they knew that executives were interested in and following up to check on the success of sustaining a particular change.

Leadership from Within

The literature noted that leaders are necessary throughout the organization, not just at executive levels, and did not distinguish executive-level positions from other positions within an organization when discussing leadership

(Antonioni, 1994; Bass, 1990; Burns, 1978; Capowski, 1994; Dutton, 1996; Hall & Hord, 2001; Hersey et al., 1996; Hogan et al., 1994; Kouzes & Posner, 1988; Kur, 1997; Van Eron & Burke, 1992; Weisman, 1999).

Many respondents to this study noted the importance of utilizing "made leaders" within the organization to communicate the message of change and to help motivate team members to make a change. Sometimes these "made leaders" happened to be at executive levels, but more often, respondents noted that these leaders were top producing home mortgage consultants, or team leads from very successful operations loan processing centers.

Following a Vision

Having an organizational vision that shaped and drove change initiatives was an important concept in the literature (Bass, 1990; Hersey et al., 1996; Kirkpatrick & Locke, 1996; Kotter, 1993; Meindl, 1998; Nanus, 1992; Senge, 1990; Thoms & Greenberger, 1998). The findings found that the concept of organizational vision was only addressed by several executive respondents, but not by the project managers, consultants, and knowledge managers. When executives discussed vision, it was coupled with a discussion of strategic approach. The organizational vision was a key element in determining if a proposed change initiative or particular solution was in alignment with the organization's strategies and therefore made sense to implement.

Working in Teams

The ability for cross-functional teams to work together to solve complex issues was a critical aspect for the success of organizations and for change initiatives according to the literature (Heifetz, 2000; LaBonte & Robinson, 1999; Senge, 1990). In the findings, working in teams was a given. At Wells Fargo Home Mortgage all organizational change initiatives are developed and implemented by cross-functional teams. In order for those teams to have the greatest chance for success, respondents recommended that teams be able to have face-to-face time as an entire team in order to take part in team building activities, and to provide better opportunities for developing robust solutions. The findings also indicated that making one-on-one connections with team members was critical to the success of a project, and therefore, whenever possible, team members should personalize their interactions rather than relying on emails or conference calls.

Motivating for Change

The literature noted that the behavior of individuals is determined by their needs and motivations. In addition, research showed that when people are actively involved in developing and controlling their own work or in deciding how to achieve a vision, they are more motivated (Burns, 1978; Cronin, 1993; Hersey et al., 1996; Kotter, 1993). While the findings did not disagree with the literature, respondents took a different approach to the concept of motivating for change. Respondents emphasized the importance of developing accountabilities that

would motivate people to change. The accountabilities could be positive motivation that might result in bonuses or salary merit increases for successfully sustaining a change, or could be negative impacts for not making a change. The findings also noted the importance of establishing the urgency for change, particularly by establishing what individuals would gain by making the change.

Motivating the Project Team

While the literature emphasized the importance of motivating those who must make the change (Burns, 1978; Cronin, 1993; Hersey et al., 1996; Kotter, 1993), the findings also focused on motivating the project team members who were developing and overseeing the implementation of the change initiative. Findings for motivating the project team members included providing enough time for project team members to have down time between work on different change initiatives, positive personalized feedback from executive sponsors of the change initiatives, and more frequent recognition through established reward and recognition programs.

Developing Solutions

The literature offered recommended processes for solving problems (Lankard, 1996). In addition, researchers recommended that multiple alternatives should be considered during the process of developing a solution, and that simple solutions are often suspect because they do not tend to address the underlying issues responsible for the problems to be solved. Finally, the literature

suggested considering all of the potential impacts a solution would have before deciding to implement that solution (Lankard, 1996; Wells, 1998).

The findings concurred with the literature in that a process should have been followed to develop solutions and that the solution should have been validated with field representatives who could have helped the project team understand all of its implications and impacts before the solution was implemented. The findings also addressed issues with the development of a solution that were perhaps specific to Wells Fargo Home Mortgage. For example, respondents noted the importance of having the solution drive timelines for the implementation of a change initiative rather than having artificially imposed timelines and deadlines. The findings also recommended providing the project team with more time to develop a solution that would fully address the underlying problems, rather than rushing to implement an incomplete solution.

Thinking Strategically

Taking a strategic approach to a change initiative, according to the literature, involved identifying those areas of highest impact to target for change, working to position the organization for future competitive advantage through change, and considering approaches to change that would result in large impacts, competitive advantages, and moving closer to realizing the organization's vision (Bennett & Brown, 1995; Conner, 1993; Kemeny & Goodman, 1999; Senge, 1990; Wells, 1998). The findings also referenced thinking strategically about change initiatives. Several executives noted that

thinking strategically about change initiatives would have assisted the organization in determining which change initiatives should be addressed and which would not have had enough impact to justify the resources or the work of the change process itself. Executive also noted that strategic thinking should have guided the entire solution to a problem, and that if it had not, the project team should have developed a new solution taking a strategic approach.

Thinking Systemically

Systems thinking encourages looking for the root cause or systemic explanation for why something is wrong, rather than looking at a problem as an isolated event. This approach to solving problems attempts to guard against quick fixes that simply apply a band-aid to a surface problem, leaving the underlying cause of the problem to compound (Kim, 1994; Roberts & Kemeny, 1994; Ross, 1994b; Senge et al., 1994; Systems Thinking, 1995). The findings concurred with the literature, noting that uncovering the root cause of a problem was essential in developing the correct solution to solve the true problem.

But We Always Do It This Way (Mental Models)

The literature noted that mental models can limit thinking to the familiar way of doing things and solving problems, and prevent the development of new ideas and approaches (Senge, 1990; Senge et al., 1994). Though the findings did not reference mental models, at the heart of all the findings was that Wells Fargo Home Mortgage had always approached change initiatives a certain way

and that mental model of the Wells Fargo way to do change initiatives had limited the success of those change initiatives.

Needs Assessments

Needs assessments are conducted in order to understand the gap between the current reality and the desired results, according to the literature. When a needs assessment is not conducted before a solution is developed, the solution often does not address the true problems (Kaufman, 1994; Rossett, 1990; Ruyle, 1999; Zemke, 1998). The findings concurred with the literature, with respondents indicating that it was necessary to validate the true current situation in order to develop a solution that was appropriate for the actual situation as opposed to the perceived situation and problem.

Managing Projects

The literature identified a defined process for managing projects (Lewis, 1997). The findings were mixed in the opinions regarding the benefits of utilizing a disciplined approach to project management for change initiatives. Some respondents to this study concurred with the literature and indicated that following an established project management process would increase the likelihood of successful change initiatives. Other respondents disagreed with the literature and believed that following a disciplined project management process would have been problematic because the project management process would have become a project itself that would have detracted from the real work of the

change initiative. Still other respondents felt that Wells Fargo Home Mortgage was too siloed in its approach to project work, with each department using its own processes to manage change initiatives. Most respondents did comment, however, that it was important for post-implementation follow-up work to be built into the project plan to ensure that this important part of trying to sustain the change was accomplished.

Communicating

Communicating the vision or end goal of a change initiative was a focus of the literature. In addition, research recommended over-communicating the change message to ensure that those who were involved in the change heard the messages, received updates as to progress, and were cheered in their efforts to make and sustain the change (Bethanis, 1995; Cronin, 1993; Hersey et al, 1996; Kotter, 1993; Kotter, 1998; Pritchett, 1996; Smith & Smits, 1994). The findings agreed with the literature. Respondents also noted that to be effective and noticed, communications needed to be streamlined, brief, and highlight main points.

Communication within the project team was also mentioned in the literature as critical to the success of a change initiative (Issacs, 1994; Ross, 1994a). The findings concurred with the literature as to the importance of communication within the project team.

Learning from Successes and "Opportunities"

The literature emphasized the importance of learning in order for organizations to remain competitive and effective, respond to changes and uncertainty, and increase employee satisfaction (ASTD Research, 1999a; Brown, 1998; Darkenwald & Merriam, 1982; Gavin, 1993; Hoerr, 1999; Kiechel, 1990; Malhotra, 1996; Rheem, 1995; Senge, 1990). The findings concurred with the research, though respondents acknowledged that the organization often skipped the process of trying to assess key learnings from change initiatives because a project team was usually disbanded immediately following implementation and each team member reassigned to a new initiative. Respondents also noted that when lessons learned were documented, they were not in-depth or robust enough to be truly useful.

Capturing and Sharing What We've Learned (Knowledge Management)

According to the literature, knowledge management is a tool organizations can utilize to store knowledge, facilitate the transfer of knowledge, and create knowledge-sharing environments. The literature recommends numerous strategies to capture, store, and share knowledge throughout an organization (ASTD Research, 1999b; Dixon & Ross, 1999; Senge et al., 1999). Though the findings concurred that key learnings needed to be captured and shared throughout the organization, respondents identified more concepts associated with learning organizations for facilitating the capture and sharing of learnings, than they did knowledge management practices. Many participants were

skeptical of the ability of knowledge management strategies such as electronic repositories to be robust solutions for facilitating the sharing of learning. Instead, most respondents recommended creating a learning environment, designating a point person within a project management office to collect, manage, and distribute key learnings, and create additional opportunities, such as case studies within development programs, for sharing learnings.

Chapter 5

SUMMARY, CONCLUSIONS, IMPLICATIONS, AND RECOMMENDATIONS FOR FURTHER RESEARCH

Summary

The purpose of this study was to develop findings that would lead to more effective and efficient planning, implementing, and evaluating major change initiatives, and to enhance the development of a learning organization. The intent was to provide business leaders at Wells Fargo Home Mortgage with processes and strategies for analyzing and assessing organization change initiatives. It was also intended that the study provide information to Wells Fargo Home Mortgage leaders regarding reporting, sharing, and utilizing key learnings from the analyses in order to improve the way future change initiatives are handled, and to assist this corporate division in becoming a learning organization. Finally, the findings in this study were also intended to be relevant to other organizations and their corporate leaders, executive managers, project managers, consultants, and knowledge management teams interested in improving the way they conduct change initiatives. The research and findings provided in this study should provide this larger audience with approaches for improving and sustaining organization change and for assessing and learning from those changes.

The research questions were designed to understand what an organization should know and do in order to effectively and efficiently plan, implement, sustain, and evaluate major organization changes, and what an organization should know and do to increase its capacity to learn from itself and apply that learning to future endeavors. Questions for respondents explored critical elements and processes of major change initiatives, best practices for preparing to begin a change initiative, critical steps for sustaining a change after it was implemented, and methods for capturing and utilizing learnings from change initiatives. The study explored what elements are often left out of the change initiative process that if completed would have added to the success of the initiative. Discussions explored what barriers existed that would limit the ability of Wells Fargo Home Mortgage to capture, store, and utilize what it would learn from an evaluation of change initiatives.

The study was conducted by using detailed interviews with twenty respondents who had experience with and interest in corporate change initiatives, and who worked for or had experience with Wells Fargo Home Mortgage change initiatives. Three key informants who had extensive experience with corporate change initiatives and organization change at Wells Fargo Home Mortgage were instrumental in identifying the respondents. The interviewees comprised four knowledge elite groups: executives, project managers, information managers, and consultants. Interviews were conducted face-to-face in conference rooms at Wells Fargo Home Mortgage's Home Campus when possible, or via phone conference for respondents outside of Des Moines.

Interviews were tape recorded when possible and transcribed. Field notes were taken during each interview. Open-ended questions that comprised the interview protocol guided the interview with each respondent. Data from the interviews was coded, beginning with open coding, and continuing with axial coding. The findings were then organized and presented by themes that related to the research questions.

The findings of this study and the literature reviewed focused on the components and processes necessary to create and sustain successful organization change, and how to capture and utilize learnings within an organization from change initiatives. Respondents noted that many of the challenges to creating and sustaining change stemmed from the fast-paced culture of Wells Fargo Home Mortgage that seemed to demand that changes be solutioned and implemented immediately. Respondents noted that one overriding key to improving change initiatives was to provide project teams with the time and resources to develop thorough, complete, validated solutions before beginning implementation of a change, and to allow the solution to determine the timing for implementation.

Another area of focus for improving change initiatives, according to interviewees, was setting the stage for change by understanding and communicating the urgency for the change. The urgency for change should have included both the business need for change, and perhaps more importantly, the personal reasons and benefits for making a change. The urgency for change

should have been supported by defined and communicated accountabilities that clearly articulate people's responsibilities for making and sustaining a change.

Respondents shared ideas for capturing, storing, and utilizing key learnings from change initiatives. Many interviewees identified that in order to improve future change initiatives, key learnings needed to be shared with a larger audience than the project team for an existing initiative, as had been somewhat common practice at Wells Fargo Home Mortgage. A project management office was frequently identified as a logical department to serve as a coordination point for analyzing, gathering, storing, and disseminating key learnings from change initiatives, since respondents noted that tier one and tier two initiatives—the top two prioritizations for projects according to strategic alignment, project objectives, desired outcomes and benefits, risks of not doing the project, timing, and costs—were required to have some input from the project management office according to Wells Fargo Home Mortgage procedures. Respondents also recommended creating a learning environment in order to foster the improvement of change practices. Respondents shared mixed opinions as to the perceived value of knowledge management systems to assist in the process of capturing and storing learnings to utilize for future improvements.

Conclusions

There is a tension between, on the one hand, a fast-paced organization environment and culture, and, on the other, the complexity of the process of successfully implementing and sustaining a change. Respondents acknowledged that the culture at Wells Fargo Home Mortgage expected, even demanded, a break-neck pace of work that stretched resources thin, even for the intricate work of developing and implementing a change initiative. Even while acknowledging this environment, however, when respondents identified ways to improve the process of implementing and sustaining change, the recommendations focused on providing project teams with more time to develop robust, complete, effective solutions before beginning implementation. Interviewees stressed that those who would have had to make the change needed advanced communications that would have provided them with the time necessary to prepare for making the change. Respondents noted that project teams needed the time to devote to post-implementation follow-up activities in order for changes to have been sustained, instead of being reassigned to a new initiative immediately following implementation. Executives urged that the project teams take the time to think strategically about the solutions they developed and how those solutions supported the vision of the organization. Participants stressed the importance of taking time to do thorough analyses of challenges and opportunities encountered during major change initiatives in order to compile key learnings that could improve future initiatives. Time for compiling, archiving, reviewing, and sharing key learnings before beginning a new project was identified as a means to

increase the organization's capacity for learning. The dilemma for organization leaders, then, was how fast is fast enough, or, alternatively, how slow is slow enough?

Skipping or rushing through steps in the process of preparing for, implementing, or following up on a change initiative will undermine the success of the initiative and lessen the chances the change will be sustained. Respondents noted that because the culture of Wells Fargo Home Mortgage was both complex and fast-paced, having ample human resources to drive the change was relatively rare. As a result, respondents noted that processes were frequently rushed or skipped entirely, often with predictable consequences for the success of the initiative. For example, when communication campaigns began early in the process to give people time to prepare for an upcoming change, team members took the opportunity to prepare for the change and were ready when the change was actually implemented. But respondents acknowledged that team members who were supposed to make a change often did not receive communications notifying them of the change until days or weeks after the change had been implemented, giving them no time to prepare. During implementation, team members often did not receive communications explaining what new steps to take in order to make a change because the message was not cascaded down from managers to front line team members. Team members were seldom fully engaged in the change process because a project team from the home office was driving the change effort. Another reason front-line team members were not fully engaged in a change was because the urgency for change had not been

established. Respondents also frequently pointed to the lack of post-implementation work to sustain a change as a reason change efforts failed. When measurement processes were not developed or utilized, respondents noted that it was difficult to know if a change had had its intended impact. When measurements were not taken to assess the attainment of goals, follow-up communications could not be sent to help sustain the momentum of the initiative, so enthusiasm waned. Interviewees noted that often people were not held accountable for sustaining a change, yet when they were held accountable through performance reviews or other means, results were significantly better for a sustained attainment of goals. Several respondents believed that post-implementation procedures should have been built-in accountabilities for those on the project team so that a project could not be closed until all follow-up activities had been completed.

A variety of types of thinking—visionary, analytical, practical, and strategic—needs to be represented in a successful solution. Executive respondents noted that a key aspect to the development of a solution was considering the vision of the organization and how the solution could enable the organization to get closer to realizing that ideal state. Successful solutions were also derived through analytical thinking that allowed a project team to uncover the root causes of problems that should have been addressed in order to truly solve the problem. Practicality was another factor in the success of a change. All of the impacts a particular change would have had and how much change an organization and the team members within the organization could handle needed

to be considered. In addition, respondents noted that project teams should have thought strategically when developing solutions in order to position the change to make the biggest positive impact possible while addressing the underlying problem.

A variety of types of acting—distributed leading, distributed managing, and opportunities for reflecting—needs to occur for successive successful change initiatives to occur. A change initiative would probably not be successful, noted respondents, unless there was action supportive of the change throughout the organization. Executives had a leadership responsibility for setting the vision and overall direction for an initiative, and for providing ongoing support that would facilitate sustaining the change. “Made leaders” throughout the organization also had a key role as the critical links between executive and operating units within the organization. Respondents noted that when front-line team members heard messages of support for a change from respected leaders within the front-line ranks, a change had a greater chance for success. Management throughout the organization was another key action for successful change. The project team needed to be provided the opportunity to work closely together to manage the overall change—from developing the best solution through conducting post-implementation activities to sustain the change. Project team members also needed a break from the difficult work of driving change, a time to rest and reflect, and needed to be recognized for their contributions and successes.

A critical review of the past opens doors to the future. Performing a critical review of a past change initiative in order to identify key learnings that could

improve future initiatives required a deep analysis rather than a surface-level glance at the obvious lessons. Without a critical review of past initiatives, the organization would have been destined to repeat past practices, both the successes and the failures. Respondents noted that often if a project team completed a "lessons learned" activity following the implementation of a change, the lessons were only a recap of the obvious problems the project team had already discussed during the initiative. To truly reap benefits from a critical review of a change initiative, respondents recommended methods for conducting a robust analysis. Recommendations for a thorough review included creating tools and reports to measure and capture key learnings that would have been shared with management throughout Wells Fargo Home Mortgage. Beginning the analysis while the project was still in process was a method that respondents believed would have helped to capture on-going details that were critical, yet might have been forgotten if not gathered until post-implementation. Gathering input from those team members in the field who were impacted by the change should have been a critical component of the process, some respondents noted. Respondents recommended doing in-depth face-to-face interviews, perhaps conducted by a neutral, skilled facilitator dedicated to the function of analyzing learnings. After data were gathered, respondents encouraged that an analysis of the data should have been conducted to understand the reason, or root cause, for the results. Respondents also recommended charting trends across key learnings from individual initiatives. In summary, the short-term benefit of quickly

moving resources to new projects needs to be carefully balanced with long-term benefits of thorough review and reflection.

Sharing the wealth compounds future wealth. Regularly sharing key learnings from change initiatives outside the project team responsible for implementing the change must occur in order to improve future change initiatives. Respondents noted a variety of ways in which key learnings could be shared across the organization. Yet the key was not necessarily the method for sharing, but that the sharing occurred beyond the project team responsible for implementing a change. Respondents suggested that the only way the organization would stop repeating mistakes was to disseminate learnings throughout the organization. Respondents recommended strategies for accomplishing this, including forming cross-functional teams of project managers and project sponsors, utilizing communication vehicles such as bulletin boards and web sites, and scheduling regular change initiative key learnings meetings with stakeholders throughout the year. Also recommended were building accountabilities for sharing learnings into performance objectives, appointing a "keeper" of learnings who would track upcoming initiatives and share appropriate information with project sponsors and managers, and electronic repositories. In other words, long-term organization efficiencies and effectiveness could be gleaned not only from an in-depth analysis of the change process, but from a breadth of meaningful dissemination throughout Wells Fargo Home Mortgage.

Communication is the bedrock for change. Comprehensive communications support and enable the entire change process. Respondents

noted that for a project team to be successful in its work of developing, implementing, and sustaining a change, the project team members must have established and maintained quality communication within the team. Executives must have communicated clearly and consistently with project teams and with those making the change in order to have provided direction and support for the change. Messages about the change must have been sent to the front-line team members responsible for making the change far enough in advance of implementation to enable team members to prepare. Communications were key to the implementation to explain the details of the change. And communication of results, areas for improvement, and on-going support were essential post-implementation activities to help sustain a change. Furthermore, communication of key learnings regarding past change initiatives was critical to the improvement of future change initiatives.

Implications

This research was based on the experience and insights of key stakeholders in various change initiatives at Wells Fargo Home Mortgage. Because or perhaps even despite the fact that these respondents were clearly involved in shaping and driving change initiatives, they nevertheless identified numerous opportunities for improvement. But they also cautioned that there is no single process that can accommodate the variability in the daily reality of the business. Wells Fargo Home Mortgage has been an extremely successful mortgage company. Part of the organization's culture has been a major focus on

the sales force—the home mortgage consultants—who take loan applications and therefore are major players in creating the revenue stream for the organization. In addition, the tension between being responsive to their needs and standardizing processes of work is palpable. The home mortgage consultants want to be able to focus on taking loan applications and are quick to express frustration and resentment when the home office initiates changes that require a shift in focus, no matter how brief, from taking applications. Evidently, the issue here is a careful weighing of when organization processes are “good enough” and when a change is worth the cost of disruptions that change invariably precipitates.

Furthermore, since a portion of the home office expense is allocated to the sales branch offices, a change ultimately impacts the commission of the mortgage consultants. As in most organizations today, there is pressure to keep expenses down. The home office expenses are significant and include the normal overhead expenses for team members on the project teams that develop and implement changes as well as expenses for systems that would comprise the infrastructure to electronically store key learnings. The suggestions in this report for taking more time to solution changes, providing more time for project teams to remain focused on a change initiative through post-implementation to ensure the change has been sustained, and utilizing processes for capturing, sharing, and utilizing learnings to improve future initiatives, do not come without additional expense. The organization must weigh whether the additional costs to implement these recommendations would be offset by the efficiencies gained

through improved future change initiatives. Until that determination is made, those who are responsible for creating and driving change should at least be mindful of the benefits of utilizing the findings of this study and consider what is possible under the circumstances in employing the strategies and processes suggested by the array of knowledge elites interviewed for this study.

Recommendations for Further Research

Further research should be conducted to analyze if there is a return on investment for improving change initiatives. Would organizations recognize increased profitability if change initiatives were improved? Would organizations recognize increased profitability if methods for capturing, sharing, and utilizing learnings from change initiatives are consistently utilized? Organizations such as Wells Fargo Home Mortgage, would be more apt to utilize these findings if there were research that supported a positive return on investment because the organization implemented the ideas suggested by this study.

In addition to measuring return on investment, further research could analyze the extent to which a change in behavior occurs on the job depending on the processes used during the change initiative. If post-implementation accountabilities are developed and utilized, for example, how likely are team members to sustain a change three months after implementation, six months post-implementation, one year post-implementation? Or if communications preparing team members for an upcoming change are consistently delivered beginning a month prior to the implementation date, what are the success rates

of that initiative versus if the communication does not begin until the team members attend a training event?

Further research should also look at the impacts of knowledge management systems. In this study, participants provided mixed opinions as to the value, feasibility, and success of knowledge management systems such as electronic repositories. In this study, only information manager respondents noted value in these systems for improving practices. Other respondents were skeptical or had experiences that indicated the systems were not a viable option for capturing and then utilizing learnings. Further research could explore what the costs are of such systems. What, if any, are the measurable benefits of such systems? What is the return on investment, if any, for an organization that employs such a system? If knowledge management systems do provide benefits to an organization, what process and procedures should be utilized to reap the greatest benefit from knowledge management systems?

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